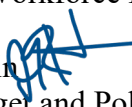




April 28, 2025

MEMORANDUM

TO: Krystal Oriadha, Chair
Education and Workforce Development (EWD) Committee

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

FROM: David Noto 
Legislative Budget and Policy Analyst

RE: Employ Prince George's (EPG)
Fiscal Year 2026 Budget Review

Budget Overview

- Employ Prince George's (EPG) is a 501(c)3 organization that is partially funded through annual County grants in the "Non-Departmental" section of the budget and serves as the principal workforce development entity for the Prince George's County Government. EPG serves as the staff, fiscal agent and administrative agent of the Prince George's County Workforce Development Board, the entity managing and distributing the County's Workforce Innovation & Opportunity Act (WIOA) Title I fund, and the operator of the Prince George's County Public Workforce System.
- The FY 2026 proposed budget for EPG is \$16,808,600, a decrease of \$1,514,500 or -8.3% under the FY 2025 Approved Budget. FY 2026 Budget decreases are driven by decreases in operating costs from the video lottery terminal grant, and in compensation due to proposed future layoffs of 20 yet unidentified positions, fully burdened, as well as an increase in fringe benefit expenditures to align with projected costs. This is partially offset by increases in operating costs for staff development, travel, training and outreach and OIT charges based on anticipated countywide costs.
- Currently, \$636,200, or 38% of EPG's FY 2025 County-allocated funds is unspent, but the agency is on track to spend their FY2025 allotment by the end of the fiscal year.

Budget Comparison – Revenues**County Contribution**

- The proposed budget includes a direct County Contribution of **\$3,273,600**, representing about **19.5%** of EPG's total budget.

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Proposed	\$ Change	% Change
County Grant - County Executive	\$ 1,989,600	\$ 1,694,300	\$ 1,694,300	\$ 1,609,600	\$ (84,700)	-5.0%
County Grant - Reentry Program	300,000	300,000	300,000	300,000	\$ -	0%
County Grant - Returning Citizen Affairs Division	1,000,000	1,000,000	1,000,000	950,000	\$ (50,000)	-5%
County Grant - Video Lottery Terminal (VLT)	637,700	637,700	200,000	200,000	\$ (437,700)	-69%
Dept. of Family Services Grant	214,000	214,000	214,000	214,000	\$ -	0%
TOTAL	\$ 4,141,300	\$ 3,846,000	\$ 3,408,300	\$ 3,273,600	\$ (572,400)	-14.9%

Budget Comparison – Expenditures**Expenditures by Category**

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Proposed	Change FY25-FY26	
					Amount (\$)	Percent (%)
Compensation	\$7,841,974	\$8,116,500	\$10,934,400	\$6,524,000	\$(1,592,500)	-19.6%
Fringe Benefits	2,541,216	2,759,600	3,717,600	2,242,700	(516,900)	-18.7%
Operating	9,511,037	7,447,000	16,380,400	8,041,900	594,900	8.0%
Total	\$19,894,227	\$18,323,100	\$31,032,400	\$16,808,600	\$(1,514,500)	-8.3%

- FY 2026 Compensation is proposed at \$6,524,000, a decrease of \$1,592,500, or 19.6%, below the FY 2025 Approved Budget, due to proposed future layoffs of 20 yet unidentified positions.
- FY 2026 Fringe Benefits are proposed at \$2,242,700, a decrease of \$516,900, or -18.7%, under the FY 2025 Approved Budget. The decrease is to align with projected costs.

EMPLOY PRINCE GEORGE'S FY 2026 Budget Summary						
	FY 2024	FY 2025	FY 2025	FY 2026 Proposed		
	ACTUAL	Approved	ESTIMATE	Grant Funded	County Funded	Total
EXPENSES						
Compensation						
Personnel Expenses	7,841,974	\$ 8,116,500	\$ 10,934,400	\$ 5,294,200	\$ 1,229,800	\$ 6,524,000
Benefits	2,541,216	\$ 2,759,600	\$ 3,717,600	\$ 1,800,000	\$ 442,700	\$ 2,242,700
Total Staff Expenses	\$ 10,383,190	\$ 10,876,100	\$ 14,652,000	7,094,200	1,672,500	\$ 8,766,700
OPERATING						
Direct Program Expenses						
Staff Development & Travel	\$ 447,749	\$ 248,400	\$ 545,700	\$ 150,000	\$ 3,500	\$ 153,500
Participant Training	\$ 1,899,090	\$ 1,095,000	\$ 3,771,000	\$ 950,000	\$ 210,500	\$ 1,160,500
Participant Supportive Services	\$ 378,536	\$ 80,800	\$ 143,000	\$ 75,000	\$ 300,000	\$ 375,000
Supplies	\$ 541,335	\$ 709,600	\$ 968,900	\$ 700,000	\$ 421,900	\$ 1,121,900
Contractual	\$ 2,582,293	\$ 3,245,600	\$ 7,223,100	\$ 3,279,800	\$ -	\$ 3,279,800
Other	\$ 1,736,157	\$ 1,637,700	\$ 3,298,800	\$ 1,500,000	\$ -	\$ 1,500,000
Total Direct Program Expenses	\$ 7,585,161	\$ 7,017,100	\$ 15,950,500	\$ 6,654,800	\$ 935,900	\$ 7,590,700
Other Operating Expenses						
Administrative Expenses	\$ 1,925,876	\$ 429,900	\$ 429,900	\$ -	\$ 451,200	\$ 451,200
Total Other Operating Expenses	\$ 1,925,876	\$ 429,900	\$ 429,900	\$ -	\$ 451,200	\$ 451,200
Operating Expenses	\$ 9,511,037	\$ 7,447,000	\$ 16,380,400	\$ 6,654,800	\$ 1,387,100	\$ 8,041,900
Total Expenditures	\$ 19,894,227	\$ 18,323,100	\$ 31,032,400	\$ 13,749,000	\$ 3,059,600	\$ 16,808,600

- FY 2026 Operating expenses are proposed at \$8,041,900, an increase of \$594,900, or 8%, above the FY 2025 Approved Budget. This increase is due to the costs for training, supportive services, supplies and contracts and is partially offset by decreases in staff development and travel.

Contracts

- Below is a list of all EPG's currently executed contracts and all planned contracts. County Funded contracts for FY 2025 are proposed at \$165,000 and are itemized below:

EMPLOY PRINCE GEORGE'S
FY 2026 Contracts list for County Grants

Attachment #5 – Q 17 - Contracts

#	Vendor Name	Description of Service	Budget Category (Identify which expense category this contract falls under in your total budget request)	Identify if MBE/CBE* (Yes or No)	2024 Actuals	2025 Approved	2025 Estimate	FY 2026 Proposed
	Contractual							
1	Farming for Hunger	Job training	Contractual	No	\$ 45,000	\$ 35,000	\$ 35,000	\$ -
2	TBD by Competitive Procurement			tbd				
		Pre-Release Services	Contractual		\$ -	\$ -	\$ -	\$ 30,000
3	Pathways Away From Incarceration	Career Counseling & Support	Contractual	No	\$ -	\$ 15,000	\$ 15,000	\$ 10,000
4	Solid Foundation	Career Counseling & Support	Contractual	No	\$ 15,596	\$ 35,000	\$ 35,000	\$ -
5	TBD by Competitive Procurement	Entrepreneurship Training		tbd				
			Contractual		\$ -	\$ -	\$ -	\$ 25,000
6	Vehicles for Change	Job training	Contractual	No	\$ 80,000	\$ 80,000	\$ 80,000	\$ 40,000
7				No				
	Problem Solving Courts	Advertising	Contractual		\$ 59,265	\$ 59,300	\$ 59,300	\$ 40,000
8	To be determined: Various	Basic Skills Training	Contractual	tbd	\$ 40,000	\$ 21,300	\$ 21,300	\$ 20,000
Total					239,861	245,600	245,600	165,000

Workload and Performance Data

- EPG's new Prince George's County Virtual Career Center is 75% complete. Once complete, EPG believes the system will improve operations and job seeker services.
- EPG's Career Transition Resources initiative is being used to serve impacted federal workers.
- Below is a breakdown of the data on the total traffic through the different American Job Center locations, workshops, resume assistance, and assisted job searches for the past five (5) fiscal years.

(Table on next page)

	AJC Traffic				
	FY21/PY20	FY22/PY21	FY23/PY22	FY24/PY23	FY25-PY24 YTD
Largo	0	4,519	6,433	9,395	6,422
NH	-	208	745	687	1,071
Suitland	0	-	548	326	132

	AJC WP Customers				
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 YTD
Largo	23,889	54,029	13,118	13,217	10,863
NH	-	-	334	222	202
Suitland	-	-	30	10	1

	AJC Staff Assisted Services				
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 YTD
Largo	77,376	194,471	60,317	55,111	62,690
NH	-	-	504	370	423
Suitland	-	-	44	17	1

- Additional participation and program enrollment data can be found on pages 15-19 of EPG's First Round Responses (questions 29-31).

Employee Data

- The FY 2026 staffing count includes 22 full-time County-funded staff plus 95 full-time and 4 part-time grant funded staff. This is an increase of one (1) County-funded position from the total listed for FY 2025.

Funding Source	FY 2025 Staff	FY 2026 Staff	Amount Change	% Change
County Full-Time	21	22	1	4.8%
Part-Time	4	4	0	0.0%
Other Full-Time	95	95	0	0.0%
Total	120	121	1	0.8%

Challenges

- The decrease in VLT funding has led to changes in staffing and the provision of resources to the American Job Center in National Harbor. EPG noted in their budget response that their revenue was unexpectedly decreased in March of 2025 when its portion of the Video Lottery Terminal Grant (VLT) was decreased from the \$637,700 to \$200,000. EPG is unsure whether there is sufficient funding to maintain VLT funded services through FY 2026. EPG has already halted most of its programming at the American Job Center at National Harbor and may have to close the American Job Center at National Harbor.

- EPG states that the WIOA Adult revenue grant will be decreased by \$100,000 more than anticipated as well. WIOA funding is based on a state formula approved by the U.S. Department of Labor. EPG is working to backfill these reductions from new sources and did secure new revenue from a State Employment Advancement Right Now grant, a County DHCD grant, and a Truist Grant.
- The Prince George's County Re-Entry Employment Incentive Program has not taken off yet, and thus far, no residents have been served by the program. EPG needs to work with the Returning Citizens Affairs Division to submit a proposal to the County Council to make the effort more appealing to businesses. Currently, businesses choose other EPG incentives over the reentry incentive. Additionally, the County Council's Re-Entry Advisor Board became defunct after the recommendations were finalized several years ago.
- HB 772 did not successfully pass the State Senate. If the bill had passed it would have continued funding for EPG's Youth Career Connections program to provide career counseling in 72 middle and high schools throughout PGCPs through FY 2028. However, since it did not pass, the program will end in FY 2026, and EPG will lay off an expected 60 staff members.