

*Prince George's County Council Town Hall*

# PRINCE GEORGE'S COUNTY FINANCIAL OVERVIEW



Rushern L. Baker, III  
County Executive

**FEBRUARY 20, 2018**

# Agenda

2

- Economic Outlook
- Long-Term Fiscal Outlook
- General Fund Outlook
- Impact of the Maryland FY 2019 Proposed Budget
- Impact of Federal FY 2019 Proposed Budget

# Economic Outlook

# County Jobs Growth

- The County led the State of Maryland in job creation over the past 12 months with added nearly 10,600 jobs from 2nd Quarter 2016 to 2nd Quarter 2017.
- The County had an average net gain of 10,643 jobs or 3.4% compared to 0.9% with the State of Maryland

| <b>Jurisdiction</b> | <b>2Q 2016</b> | <b>2Q 2017</b> | <b>CHANGE</b> | <b>% CHANGE</b> |
|---------------------|----------------|----------------|---------------|-----------------|
| Maryland            | 2,641,866      | 2,666,159      | 24,293        | 0.9%            |
| Prince George's     | 311,157        | 321,800        | 10,643        | 3.4%            |
|                     |                |                |               |                 |
| Anne Arundel        | 267,363        | 266,189        | -1,174        | -0.4%           |
| Baltimore City      | 337,982        | 339,768        | 1,786         | 0.5%            |
| Baltimore           | 376,258        | 377,250        | 992           | 0.3%            |
| Howard              | 168,768        | 170,679        | 1,911         | 1.1%            |
| Montgomery          | 467,156        | 473,837        | 6,681         | 1.4%            |

# Annual Average County Employment by Sector

- The County had an average net gain of 10,643 jobs or 3.4% between the second quarter of 2016 to the second quarter of 2017.
- The County experienced growth in nearly every employment sector with the largest employment increases in the Leisure and Hospitality, Trade and Transportation, Professional Services and Construction sectors.

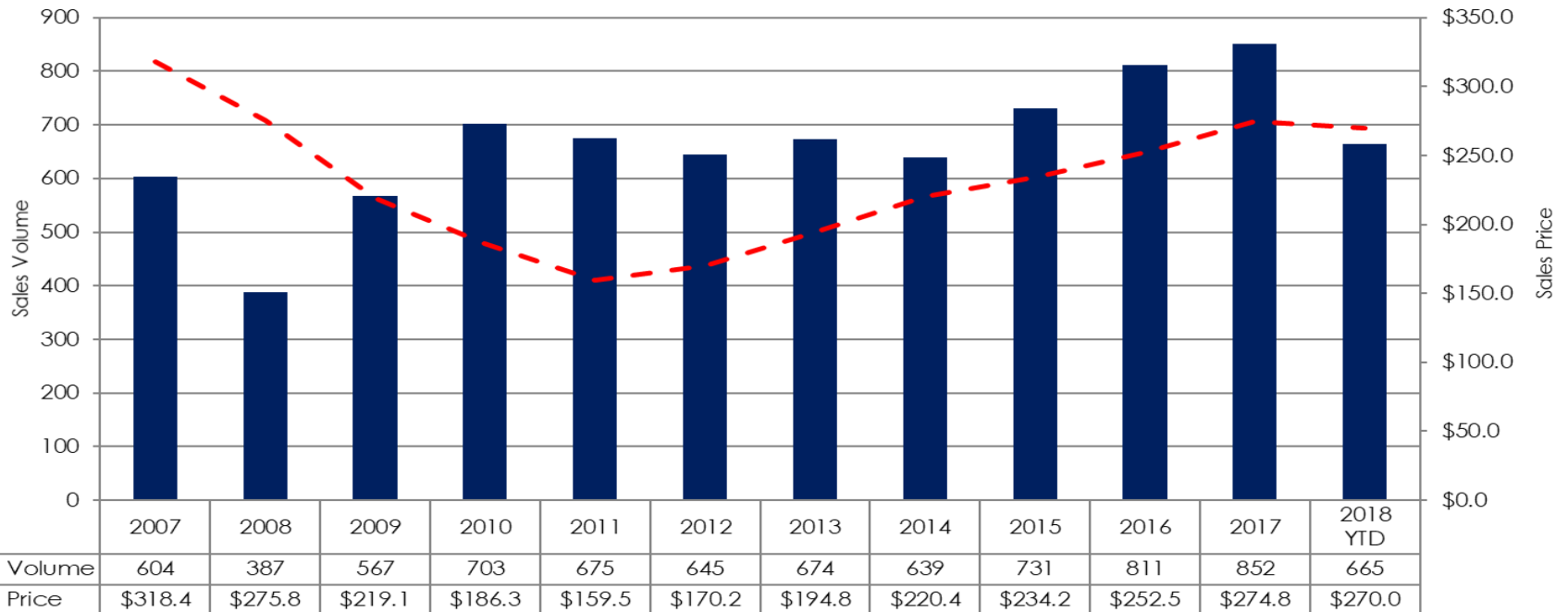
**Prince George's County - 2nd Quarter - Employment Growth 2016 to 2017**

| <b>Industry</b>                      | <b>2Q 2016 - Quarterly Average Employment</b> | <b>2Q 2017 - Quarterly Average Employment</b> | <b># Change</b> | <b>% Change</b> |
|--------------------------------------|---|---|-----------------|-----------------|
| Leisure and Hospitality              | 31,955  | 36,756  | 4,801           | 15.0%           |
| Trade, Transportation, and Utilities | 59,444  | 60,588  | 1,144           | 1.9%            |
| Professional and Business Services   | 40,206  | 41,316  | 1,110           | 2.8%            |
| Construction                         | 25,659  | 26,531  | 872             | 3.4%            |
| Federal Government                   | 26,370  | 27,198  | 828             | 3.1%            |
| Education and Health Services        | 33,310  | 34,108  | 798             | 2.4%            |
| State Government                     | 20,883  | 21,359  | 476             | 2.3%            |
| Other Services                       | 8,774   | 9,072   | 298             | 3.4%            |
| Financial Activities                 | 11,419  | 11,666  | 247             | 2.2%            |
| Manufacturing                        | 7,483   | 7,556   | 73              | 1.0%            |
| Local Government                     | 41,868  | 41,872  | 4               | 0.0%            |
| Information                          | 3,657   | 3,653   | -4              | -0.1%           |
| Natural Resources and Mining         | 128   | 122   | -6              | -4.7%           |
| <b>Total Employment</b>              | <b>311,157</b>                                | <b>321,800</b>                                | <b>10,643</b>   | <b>3.4%</b>     |

# Housing Trends – Median Home Sales Price & Volume

- Home sales and prices have steadily increased since 2014. Between 2014 and 2017, annual home sales volume increased 33.3% and home prices rose 24.7%.
- The average median homes sales price increased from \$260,000 in January 2017 to \$270,000 in January 2018. Home sales volume increased by 1.5% during the same period.

**Prince George's County Median Sales Price and Sales Volume**  
(Source: Metropolitan Regional Information System)



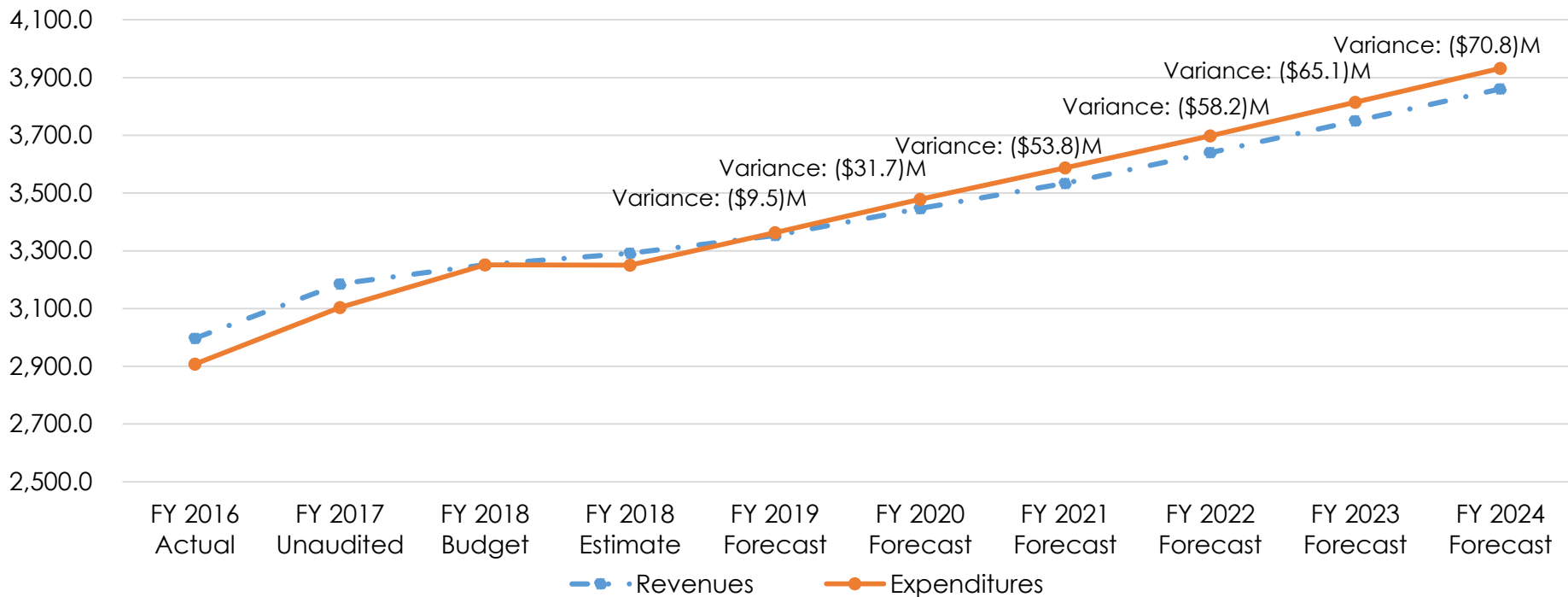
\* Year to Date (YTD) - January 2018

# Long-Term Fiscal Outlook

# General Fund: Six Year Forecast

- In the absence of structural change, an annual budget gap of \$9.5~\$71.0 million is projected between FY 2019 ~ FY 2024, even after new revenues of \$36~\$42 million annually are added from the expanded National Harbor complex.

**County Source Revenues and Expenditures**  
**FY 2016 - FY 2024**  
(\$ in millions)





# Fiscal Challenges: A Structural Budget Gap

- An existing fiscal imbalance will remain until permanent solutions are in place.
- A structural gap between revenue growth and expenditure growth is projected to grow based on the factors below:
  - Revenue growth of \$73M~\$100M per year.
  - Expenditure growth of \$110~116M per year, primarily driven by:
    - Debt Service (\$220M new GO Bond = approximately \$15M new annual debt service payments)
    - Maintenance of Effort (MOE) contribution to the Board of Education
    - Fringe Benefit Costs – pensions, healthcare, workers compensation, OPEB, etc.
    - COLA/Merits based on collective bargaining negotiation results
    - Public safety personnel costs and new recruitment classes
    - Additional staffing – At-Large County Council members and support staff as well as limited new staffing for SAO, Sheriff, certain General Government, Health and Human Service agencies
    - Various operating expenses (gas/oil, utilities, contract cost increases, leases, equipment replacement costs, etc.)

# Fiscal Challenges: Education Funding and Long-Term Obligations

- Demands for additional funding for the Education sector (primarily the Board of Education) to support wage adjustments, pension costs and education initiatives.
- Under-funded pension plans — 58.2% funded (FY 2016) for all pension plan combined.
  - The funded ratio of the County's pension plans continue to improve and recover from the losses experienced in previous fiscal years. The County has made a concerted effort to increase the funded status of the pension plans by increasing employee contribution rates, increasing the vesting timeframe, modifying the retirement eligibility and establishing benefit caps. Additional measures will be explored in future collective bargaining negotiations.
  - Projected funded ratio of 100% reached by:
    - Deputy Sheriff's Supplemental – FY 2025
    - General Supplemental Plans – FY 2033
    - Police, Fire Service, Deputy Sheriff's Comprehensive and Correctional Officers' Plan – FY 2045.
- Other Post Employment Benefits – The County must adhere to a strict funding plan to maintain the status of this fund.
- Annual debt service payments will likely exceed the policy cap of 8% of General Fund revenues by FY 2020 without changes to the six year capital program.

# General Fund Outlook

# General Fund Fiscal Summary

## General Fund Outlook

(\$ in millions)

|                        | FY 2017<br>Budget | FY 2017<br>Unaudited | FY 2018<br>Budget | FY 2018<br>Estimate | FY 2019<br>Projected | FY 2019<br>Recommended |
|------------------------|-------------------|----------------------|-------------------|---------------------|----------------------|------------------------|
| <b>Revenues</b>        | \$ 3,116.9        | \$ 3,185.1           | \$ 3,251.5        | \$ 3,291.6          | \$ 3,353.3           | \$ 3,353.3             |
| % Change               |                   | 2.2%                 |                   | 1.2%                |                      |                        |
| <b>Expenditures</b>    | \$ 3,116.9        | \$ 3,103.7           | \$ 3,251.5        | \$ 3,250.0          | \$ 3,362.8           | \$ 3,353.3             |
| % Change               |                   | -0.4%                |                   | 0.0%                |                      |                        |
| <b>Surplus/Deficit</b> |                   | \$ 81.4              |                   | \$ 41.6             | \$ (9.5)             | \$ -                   |
| <b>Fund Balance</b>    |                   |                      |                   |                     |                      |                        |
| Restricted (5%)        |                   | \$ 157.5             |                   | \$ 164.6            |                      | \$ 167.7               |
| Committed (2%)         |                   | 63.0                 |                   | 65.8                |                      | 67.1                   |
| Unassigned             |                   | 169.1                |                   | 191.3               |                      | 187.0                  |
| <b>Total</b>           |                   | \$ 389.6             |                   | \$ 421.7            |                      | \$ 421.7               |

- In FY 2017, the County anticipates a \$81.4 million surplus. Unaudited revenues increased by \$68.2 million over the budget. Expenditures are \$13.2 million under the FY 2017 budget. The overall fund balance total for the three major components is expected to total \$389.6 million, an increase of 16.8% from the FY 2016 level.
- In FY 2018, estimates indicate that revenues will be \$40.1 million higher than the budget. Expenditures are projected to be aligned with the budget.
- The Spending Affordability Committee's FY 2019 forecast projects a \$9.5 million deficit. Revenues are estimated to be \$101.8 million or 3.1% over the FY 2018 budget. The expenditure forecast is \$111.3 million above the FY 2018 budget and \$112.8 million above the FY 2018 estimated level.

\* The FY 2017 unaudited total is preliminary as of 11/2017.

# FY 2019 Spending Affordability Committee (SAC) Recommendations

## Spending Affordability Committee Recommendations FY 2019 General Fund Revenue (\$ in millions)

| (\$ in millions)               | FY 2017<br>Unaudited | FY 2018<br>Budget | FY 2018<br>Estimate | % Change<br>FY 2018 Estimate v.<br>FY 2017 Unaudited | FY 2019<br>Forecast | % Change<br>FY 2018<br>Budget | % Change<br>FY 2018<br>Estimate |
|--------------------------------|----------------------|-------------------|---------------------|--|---------------------|-------------------------------|---------------------------------|
| <b>COUNTY SOURCE REVENUES</b>  |                      |                   |                     |  |                     |                               |                                 |
| Real Property Tax              | \$ 741.0             | \$ 770.8          | \$ 790.8            | 6.7%   | \$ 825.8            | 7.1%                          | 4.4%                            |
| Personal Property Tax          | 86.2                 | 76.2              | 86.2                | 0.1%   | 87.7                | 15.2%                         | 1.7%                            |
| Income Tax Receipts            | 559.4                | 601.8             | 572.3               | 2.3%   | 595.2               | -1.1%                         | 4.0%                            |
| Income Disparity Grant         | 26.6                 | 30.9              | 30.9                | 15.9%  | 30.9                | 0.0%                          | 0.0%                            |
| Transfer Tax                   | 113.4                | 108.2             | 128.7               | 13.5%  | 117.8               | 8.8%                          | -8.5%                           |
| Recordation Tax                | 46.6                 | 43.4              | 54.6                | 17.1%  | 50.5                | 16.3%                         | -7.5%                           |
| Energy Tax                     | 71.9                 | 70.4              | 70.4                | -2.1%  | 72.4                | 2.8%                          | 2.8%                            |
| Telecommunications Tax         | 29.3                 | 31.1              | 27.8                | -5.0%  | 27.8                | -10.4%                        | 0.0%                            |
| Other Local Taxes              | 28.5                 | 31.6              | 31.0                | 8.9%   | 31.8                | 0.7%                          | 2.7%                            |
| State-shared Taxes             | 3.6                  | 3.5               | 3.3                 | -6.8%  | 3.3                 | -5.5%                         | -1.5%                           |
| Licenses and Permits           | 47.6                 | 54.9              | 55.2                | 16.1%  | 56.9                | 3.5%                          | 2.9%                            |
| Use of Money and Property      | 2.3                  | 5.3               | 2.6                 | 13.4%  | 2.7                 | -49.2%                        | 2.2%                            |
| Charges for Services           | 49.0                 | 44.0              | 48.8                | -0.5%  | 49.7                | 12.9%                         | 1.9%                            |
| Intergovernmental Revenue      | 47.5                 | 32.3              | 37.8                | -20.3%   | 36.6                | 13.3%                         | -3.3%                           |
| Miscellaneous Revenue          | 17.9                 | 14.2              | 18.1                | 1.0%   | 18.1                | 27.0%                         | 0.0%                            |
| Other Financing Sources        | -                    | 13.1              | 13.1                | 100.0%   | -                   | -100.0%                       | -100.0%                         |
| <b>Subtotal County Sources</b> | <b>\$ 1,870.7</b>    | <b>\$ 1,931.7</b> | <b>\$ 1,971.8</b>   | <b>5.4%</b>  | <b>\$ 2,007.0</b>   | <b>3.9%</b>                   | <b>1.8%</b>                     |
| <b>OUTSIDE AID</b>             |                      |                   |                     |  |                     |                               |                                 |
| Board of Education             | \$ 1,233.0           | \$ 1,236.3        | \$ 1,236.3          | 0.3%   | \$ 1,261.0          | 2.0%                          | 2.0%                            |
| Community College              | 73.1                 | 75.1              | 75.1                | 2.7%   | 76.6                | 2.0%                          | 2.0%                            |
| Library                        | 8.3                  | 8.5               | 8.5                 | 2.8%   | 8.7                 | 2.0%                          | 2.0%                            |
| <b>Subtotal Outside Aid</b>    | <b>\$ 1,314.5</b>    | <b>\$ 1,319.9</b> | <b>\$ 1,319.9</b>   | <b>0.4%</b>  | <b>\$ 1,346.3</b>   | <b>2.0%</b>                   | <b>2.0%</b>                     |
| <b>GRAND TOTAL</b>             | <b>\$ 3,185.1</b>    | <b>\$ 3,251.5</b> | <b>\$ 3,291.6</b>   | <b>3.3%</b>  | <b>\$ 3,353.3</b>   | <b>3.1%</b>                   | <b>1.9%</b>                     |
| <b>TOTAL w/o Fund Balance</b>  | <b>\$ 3,185.1</b>    | <b>\$ 3,238.4</b> | <b>\$ 3,278.5</b>   | <b>2.9%</b>  | <b>\$ 3,353.3</b>   | <b>3.5%</b>                   | <b>2.3%</b>                     |

Note: Numbers may not add due to rounding.

# Real Property Taxes

| (\$ in millions)               | FY 2017<br>Unaudited | FY 2018<br>Estimate | %<br>Change | FY 2019<br>Forecast | %<br>Change |
|--------------------------------|----------------------|---------------------|-------------|---------------------|-------------|
| Real Property Tax - General    | \$ 703.8             | \$ 746.6            | 6.1%        | \$ 779.3            | 4.4%        |
| Real Property Tax - School     | 32.6                 | 34.6                | 6.3%        | 36.2                | 4.4%        |
| Real Property Tax - MGM Casino | 4.6                  | 9.5                 | 107.3%      | 10.3                | 8.0%        |
| <b>Total</b>                   | <b>\$ 741.0</b>      | <b>\$ 790.8</b>     | <b>6.7%</b> | <b>\$ 825.8</b>     | <b>4.4%</b> |

- Real Property Tax revenues in FY 2018 are projected to increase by 6.7% from the FY 2017 unaudited level. This is primarily due to increased assessments and the reflection of a full year of anticipated MGM gaming real property revenues. Revenues are projected to further increase by 4.4% in FY 2019 due to strong growth in the assessable base.
- Real Property Tax revenues reflects the continued increase in the assessable base. Over the last three reassessment cycles, reassessments were +19.5% for Group 3 in 2015 (FY 2016), +24.7% for Group 1 in 2016 (FY 2017) and +13.5% for Group 2 (FY 2018). Group 3 is projected to increase by +12% in 2018 (FY 2019).
- The January 2018 assessments for Group 3 reflected an overall 17.5% increase in assessments – Residential 21.4% and Commercial – 10.6%.

# Income Taxes

- Income tax receipts are projected to increase by 2.3% in FY 2018 from the FY 2017 unaudited level. The projections reflects the expectation that FY 2018 final receipts will experience the same moderate growth between FY 2016 and FY 2017.
- In FY 2019, receipts are estimated to increase 4.0% from the FY 2018 estimate. The FY 2019 estimate is based on year-to-date collections and assumes a 4% baseline growth rate. The forecast anticipates continued wage growth and the expansion of the labor force.
- OMB has assumed that the short term effects of the changes in the Federal tax law will be largely nullified by anticipated changes in the Maryland state tax law.
- The State Income Disparity Grant is expected to increase by \$4.2 million in FY 2018 from the FY 2017 unaudited level. The disparity grant projection remains unchanged at \$30.9 million in FY 2019.

# MGM Gaming Revenues

16

- The FY 2018 estimate includes \$34.1 million, an increase of \$2.3 million from the FY 2018 approved budget. The increase is due to increases in real property taxes based on current property assessments and greater than anticipated hotel tax collections. This increase is offset by expected decreases in VLT and table game revenues. FY 2018 marks the first full year of revenues from the MGM National Harbor facility.
- The FY 2019 forecast include \$36 million in MGM gaming related General Fund revenues. Local legislation (CB-33-2015) requires that 50% of the gaming revenue, up to \$25 million each year, to be directly allocated for public education purposes.

|  | FY 2017<br>Unaudited | FY 2018<br>Approved | FY 2018<br>Estimate | SAC<br>FY 2019<br>Forecast | \$ Change<br>FY18 Estimate -<br>FY19 Forecast | % Change<br>FY18 Estimate -<br>FY19 Forecast |
|--|----------------------|---------------------|---------------------|----------------------------|---|--|
| <b>Source</b>  |                      |                     |                     |                            |   |  |
| Real Property Tax - Non-Education (\$0.96 per \$100)     | \$ 4,586,079         | \$ 6,324,900        | \$ 9,536,220        | \$10,272,400               | \$ 0.7  | 7.7%   |
| Real Property Tax - Education (\$0.04 per \$100)         | 191,087              | 397,300             | 397,300             | 428,000                    | 0.0   | 7.7%   |
| Personal Property Tax - Non-Education (\$2.40 per \$100) | 963                  | 1,260,000           | 1,260,000           | 1,512,000                  | 0.3   | 20.0%  |
| Personal Property Tax - Education (\$0.10 per \$100)     | 40                   | 52,500              | 52,500              | 63,000                     | 0.0   | 20.0%  |
| Admissions and Amusement Taxes (10%)                     | 1,121,050            | 1,433,500           | 1,433,500           | 1,665,000                  | 0.2   | 16.1%  |
| Hotel Taxes (7%)   | 577,577              | 616,000             | 928,800             | 947,400                    | 0.0   | 2.0%   |
| Video Lottery Terminal (VLT) Revenues (5.5%)             | 3,106,116            | 7,103,500           | 6,287,000           | 6,635,500                  | 0.3   | 5.5%   |
| Table Game Revenues (5%)                                 | 8,047,467            | 14,620,200          | 14,202,500          | 14,486,500                 | 0.3   | 2.0%   |
| <b>Total</b>   | <b>\$ 17,630,379</b> | <b>\$31,807,900</b> | <b>\$34,097,820</b> | <b>\$36,009,800</b>        | <b>\$ 1.9</b>                                 | <b>5.6%</b>                                  |



# FY 2019 Projections

- The County's overall fiscal outlook is cautiously optimistic; yet, we have not returned to pre-recession growth rates. The County has experienced modest tax gains. However, the slow pace of our revenue recovery combined with our long term fiscal challenges requires us to continue to exercise fiscal prudence.

| <b>\$ in millions</b> | <b>FY 2018<br/>Budget</b> | <b>SAC<br/>FY 2019<br/>Forecast</b> | <b>\$ Change</b> | <b>% Change</b> |
|-----------------------|---------------------------|-------------------------------------|------------------|-----------------|
| Revenues              | \$ 3,251.5                | \$ 3,353.3                          | \$ 101.8         | 3.1%            |
| Expenditures          | 3,251.5                   | 3,362.8                             | 111.3            | 3.4%            |
| <b>Gap</b>            | <b>\$ -</b>               | <b>\$ (9.5)</b>                     |                  |                 |

- The FY 2019 projected revenue growth is \$101.8 million or 3.1% over the FY 2018 budget. Expenditures are expected to increase \$111.3 million or 3.4% above the FY 2018 budget. The preliminary forecast estimates a projected budget gap of approximately \$9.5 million. This shortfall is attributable to the fact that projected revenue growth lags behind required cost increases for county agencies, non-departmental expenditures (including an increase in debt service payments), the County's contribution to the Board of Education, Library and College, and contributions to meet the County's requirements for pension plans.

# FY 2019 Projected Budget Gap - Expenditures

- The FY 2019 forecast projects a \$9.5 million deficit. The expenditure forecast is \$111.3 million above the FY 2018 budget. The higher forecast for FY 2019 reflects the following:
- Reflects annual awarding of compensation enhancements (merits and Cost of Living Adjustments);
- Reflects fringe (5% annually for health plans) and operating expense adjustments (1.5% for Gen Govt., 1.1% for Environment., 5.4% for HHS and DHCD, 1.8% for Infrastructure and Development, 2.0% for Public Safety);
- Annual Public Safety Classes – assumes 125 Police recruits for FY 2019 and FY 2020 to reach and maintain authorized sworn strength, 60 recruits for Fire/EMS and 75 for Corrections;
- Additional staffing for additional County Council members and staff, certain general government agencies, Circuit Court, Fire/EMS, SAO, Sheriff, Homeland Security, HHS, Environment and Infrastructure & Development sectors;
- Education sector average annual contribution increase of 3.3% for Board of Ed., 6% for Community College, 3.1% for Library;
- Assume annual new debt of \$220M between FY 2019 and FY 2024 for debt service costs;
- OPEB/Worker's Compensation obligations in Non-Departmental; and
- Non-Departmental – grant support for DDA service providers for FY 2019; continued VLT investments; increase insurance premiums by 3% annually; anticipated debt schedule for COPS (based on \$20.3M annually); 1.5% annual inflationary increase for utilities (electricity, fuel, oil, gas, coal, water & sewage).

# FY 2019 Budget Challenges

- The Spending Affordability Committee's revenue projections do not factor in the potential impact of any budget adjustments that may be proposed by the Governor and adopted by the Maryland General Assembly in the upcoming 2018 legislative session.
- Changes at the Federal level and any major reductions during the Federal budget process could negatively impact both the County's revenues (e.g., loss of income tax and grant revenues) and expenditures (e.g., rising service demands related to increases in the unemployment rate).
- The County faces long-term liabilities in FY 2019 and beyond, including greater debt service requirements, increased County contributions for Education; and higher healthcare, pension and Other Post-Employment Benefits (OPEB) costs.
- Despite these challenges, the County is committed to providing quality service delivery for critical programs and services that have a meaningful outcome and positive results. Through the development of the FY 2019 proposed budget, the County will align revenues and expenditures for a balanced budget.

# Impact of the Maryland FY 2019 Proposed Budget

# Impact of Maryland FY 2019 Proposed Budget - General Fund Revenues

21

- Disparity Grant increased by 10.4% to \$34.1 million from FY 2018.
- Highway User Revenues totals \$3.0 million, an increase of 118% over FY 2018 level.
- Police Aid remains level funded at \$14.99 million, of which \$11.5 million is dedicated to the general fund, \$1.2 million for drug enforcement, \$2.3 million for violent crime grants programs and \$1.3 million for the State's Attorney's Office.
- Fire and Rescue Aid totals \$1.7 million, flat from FY 2018.
- The Local Health Grant totals \$6.3 million, unchanged from FY 2018. The proposed FY 2019 budget reduces funding to the State's local health departments by \$900,000 by level funding the State grant. The impact to Prince George's County is approximately \$100,000.
- Racing grant remains unchanged at \$1 million from FY 2018.
- Teachers Retirement Supplemental Grant is level funded at \$9.6 million.

# Impact of Maryland FY 2019 Proposed Budget – Outside Aid

22

## **K-12 EDUCATION AID**

- County direct aid totals \$1.14 billion, an increase of 2.6% over FY 2018. County Foundation Aid totals \$539.6 million, an increase of 1.7% and Geographical Cost of Education Index (GCEI) is \$43 million, an increase of 2.38% over FY 2018.
- Compensatory Education is budgeted at \$286.4 million, an increase of 1.5% from FY 2018.
- Limited English Proficiency funding is \$107.4 million, an increase of roughly 13.9% over FY 2018.
- County Special Education Aid – is budgeted for \$45 million, an increase of 1% from FY 2018.
- Transportation Grants/Aid totals \$41.6 million (this reflects Regular and Special Education), an increase of 2.2% over FY 2018.
- Special Education - Nonpublic Placements totals \$21 million, a decrease of approximately 8.8% from FY 2018.
- Food Service funding is \$1.91 million, a decrease of approximately 4% from FY 2018.
- Net Taxable Income Education Grants are budgeted at \$29.3 million, an increase of 31% over FY 2018.

## **PRINCE GEORGE'S COMMUNITY COLLEGE**

- County Community Colleges Aid is \$31.5 million, an increase of 3.3% over FY 2018.

## **PUBLIC LIBRARIES**

- County Library Aid totals \$7.48 million, an increase of 1% from FY 2018.

# Impact of Maryland FY 2019 Proposed Budget - Expenditures

23

## **Costs Associated with the State Department of Assessments and Taxation**

- The State's proposed budget shifts approximately 90% of the costs of the State's assessment operations to the counties and Baltimore City. The shift of services equates to an additional \$20 million burden upon the 23 Counties & Baltimore City budgets.
- The estimated impact to Prince George's County would be an additional \$3 million in FY 2019.

## **Prince George's County Regional Medical Center**

- Funded at \$19 million in FY 2019, deferring \$29 million in capital funding to FY 2021.
- Under state law, the Governor was required to provide \$48 million in FY 2019, and \$56.2 million in FY 2020. Instead \$19 million was budgeted in FY 2019, \$56.2 in FY 2020, and \$29 million for FY 2021.

# Impact of the Federal FY 2019 Proposed Budget



# Impact of Federal Budget on County

- We do not know the specific impact on the County of the proposed federal budget. However, if enacted the would reduce county revenues due to a freeze on the salaries of federal employees and have a major negative impact on services to County residents. The Departments of Housing, Health, Social Services, and Environment, among others, would be affected by:
  - The elimination of the Community Block Grant Program;
  - Elimination of funds for repair of Public Housing;
  - Reduction of Section 8 housing funds;
  - Elimination of radon detection programs;
  - Reduction of funding for the Affordable Care Act (ACA); and
  - Reduction or elimination of supplement food programs;
- These are among many other changes. Moreover, the projected federal deficit would also increase from \$500 billion to \$1 trillion for FY 2019, a 100% increase.



Rushern L. Baker, III  
County Executive

# Q & A