

PRINCE GEORGE'S
COUNTY, MARYLAND
APPROVED OPERATING BUDGET
FISCAL YEAR 2009

AAA

Go Prince George's County!

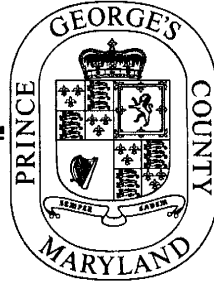


Prince
George's
COUNTY
It's a Great Time!
www.princegeorgescountymd.gov

Jack B. Johnson
County Executive



APPROVED
FISCAL YEAR 2009
OPERATING BUDGET
PRINCE GEORGE'S COUNTY, MARYLAND



COUNTY EXECUTIVE
JACK B. JOHNSON

COUNTY COUNCIL
SAMUEL H. DEAN – CHAIR
MARILYNN M. BLAND – VICE CHAIR

WILL CAMPOS	ANDREA HARRISON
THOMAS E. DERNOGA	TONY KNOTTS
CAMILLE A. EXUM	ERIC C. OLSON
INGRID M. TURNER	

CHIEF ADMINISTRATIVE OFFICER
DR. JACQUELINE F. BROWN

CHIEF OF STAFF
MICHAEL D. HERMAN

OFFICE OF THE COUNTY EXECUTIVE

PIERRE BANDA	VERNON R. HERRON
IRIS B. BOSWELL	RALPH E. MOULTRIE
HOWARD A. BURNETT	PAMELA H. PIPER
DAVID J. BYRD	

OFFICE OF MANAGEMENT AND BUDGET
JONATHAN R. SEEMAN, DIRECTOR

CREDITS

OFFICE OF MANAGEMENT AND BUDGET, DIRECTOR

Jonathan R. Seeman

OFFICE OF MANAGEMENT AND BUDGET, DEPUTY DIRECTOR

Holly Sun

MANAGEMENT AND BUDGET STAFF

James Abernathy
DeAnna Baker-Mims
Debra Bice
Darlene Brooks
Terra Bynum
Nike Campbell-Fatoki
Ren Chen
Walter Chitwood
Kim Coleman
Leslye Dwight

Amber Hendricks
Grace King
Susan Li
Carole Lowe-Nedab
Janice Marcellas
Larry Matthews
Daryl Sims
Kimberly Stallings
Mary Proctor-Swann
Shirley Tomko
Greg Useem

PRINTING

John Butler
Elyria T. Clark
Brad Edwards
Donald Stroud
Rudy Wood
Michael Yourishin

INFORMATION TECHNOLOGY SUPPORT

Calvert Smith
Sinha K. Sudhanshu

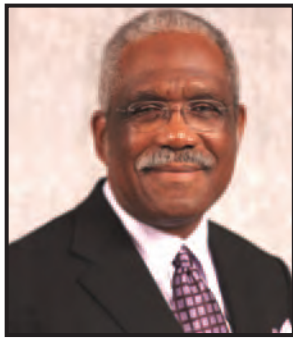


Jack B. Johnson
County Executive



Jack B. Johnson
County Executive

Prince George's County Elected Officials



Samuel H. Dean
Chair



Marilynn M. Bland
Vice Chair



Andrea Harrison



Will Campos



Camille A. Exum



Thomas E. Dernoga



Tony Knotts



Eric C. Olson



Ingrid M. Turner, Esq.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Prince George's County
Maryland**

For the Fiscal Year Beginning

July 1, 2007

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to Prince George's County for its annual budget for the fiscal year beginning July 1, 2007.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

TABLE OF CONTENTS

BUDGET GUIDE	I
GUIDE TO THE BUDGET DOCUMENT	I-1
FUNDS INCLUDED IN THE OPERATING BUDGET	I-1
BUDGET STRUCTURE AND CONTENT	I-2
BUDGETARY BASIS	I-3
SEMI-AUTONOMOUS AGENCIES	I-4
COUNTY GOVERNMENT ORGANIZATION	I-5
THE BUDGET PROCESS	I-6
RELATIONSHIP BETWEEN THE CAPITAL AND OPERATING BUDGETS	I-8
STRATEGIC/FISCAL POLICIES	II
STRATEGIC POLICIES	II-1
LIVABLE COMMUNITIES -- THE VISION	II-1
CHARTER FOR CHANGE	II-1
LIVABLE COMMUNITIES PROGRAMS AND SERVICES	II-2
FISCAL POLICIES AND FINANCIAL POLICIES	II-4
BUDGET OVERVIEW	III
THE FY 2009 BUDGET AT A GLANCE	III-1
BUDGET OVERVIEW	III-1
GENERAL GOVERNMENT	III-2
CRIMINAL/CIVIL JUSTICE	III-2
PUBLIC WORKS AND ENVIRONMENTAL RESOURCES	III-2
PUBLIC SAFETY	III-3
EDUCATION AND LIBRARY	III-3
HUMAN SERVICES	III-3
NON-DEPARTMENTAL	III-4
CAPITAL IMPROVEMENT PROGRAM	III-4
REVENUE SUMMARY	III-5
APPROPRIATION SUMMARY	III-9
CONSOLIDATED FUND SUMMARY	III-11
GENERAL FUND CONSOLIDATED EXPENDITURE SUMMARY	III-12
POSITION SUMMARY -- FULL-TIME POSITIONS	III-13
GENERAL FUND FIVE YEAR FULL-TIME POSITIONS SUMMARY	III-14
FRINGE BENEFIT COSTS SUMMARY	III-15
BUDGETARY FUND BALANCE	III-16
REVENUE	IV
THE FY 2009 REVENUES AT A GLANCE	IV-1
GENERAL FUND REVENUES	IV-2
ASSESSABLE BASE	IV-12
PROPERTY TAX LIMITATION FISCAL YEAR 2009	IV-13
CONSTANT YIELD DATA	IV-14
FY 2009 ALLOCATED REVENUES	IV-15
CONSOLIDATED GRANT PROGRAM SUMMARY	IV-17
EDUCATION REVENUE DETAIL	IV-18
MUNICIPAL TAX DIFFERENTIAL	IV-19

GENERAL GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE.....	1
LEGISLATIVE BRANCH	7
The County Council	13
Council Administration.....	14
Clerk to the Council.....	15
Office of Audits and Investigations	16
Zoning Hearing Examiner	17
Non-Divisional	18
Board of Appeals.....	19
HUMAN RELATIONS COMMISSION.....	20
Grants	27
PERSONNEL BOARD.....	29
OFFICE OF FINANCE.....	35
Administration Division	43
Accounting.....	44
Treasury Division	45
CITIZEN COMPLAINT OVERSIGHT PANEL.....	46
OFFICE OF COMMUNITY RELATIONS	54
Grants	62
PEOPLE'S ZONING COUNSEL.....	64
OFFICE OF MANAGEMENT AND BUDGET	65
Budget & Management Analysis Division.....	73
Grants Management	74
BOARD OF LICENSE COMMISSIONERS.....	75
OFFICE OF LAW.....	83
OFFICE OF HUMAN RESOURCES MANAGEMENT.....	91
Administration	98
Employment Services.....	99
Fiscal Management	100
Performance Management.....	101
Pensions and Investments.....	102
Benefits Administration.....	103
OFFICE OF INFORMATION TECHNOLOGY AND COMMUNICATIONS.....	104
Information Technology General Fund.....	110
Information Technology Internal Service Fund (IS 39).....	112
BOARD OF ELECTIONS.....	113
OFFICE OF CENTRAL SERVICES	121
Office of the Director.....	129
Facilities Operations and Management Division	130
Contract Administration and Procurement Division.....	131
General Services Division	132
Minority Business Development Division.....	133
Fleet Management Fund.....	134
Fleet Management Internal Service Fund (IS 43)	135
Property Management Services Fund	136
Property Management Services Special Revenue Fund (SR 47).....	137
Collington Center Fund.....	138
Collington Center Special Revenue Fund (SR 48).....	139

CRIMINAL/CIVIL JUSTICE

CIRCUIT COURT 141
 General Judicial Division..... 148
 Law Library..... 149
 Family Division: Domestic Relations 150
 Family Division: Juvenile Causes Section 151
 Alternative Dispute Resolution Referral Unit..... 152
 Bail Bond Commissioner..... 153
 Calendar Management 154
 Jury Office 155
 Administrative Operations 156
 Grants 157
ORPHANS' COURT 159
OFFICE OF THE STATE'S ATTORNEY 165
 Grants 171
OFFICE OF THE SHERIFF..... 174
 Office of Sheriff 181
 Bureau of Administrative Services 182
 Bureau of Field Operations 183
 Bureau of Court Services..... 184
 Grants 185
DEPARTMENT OF CORRECTIONS..... 187
 Director's Office..... 195
 Human Resources Division 196
 Security Operations Division..... 197
 Population Management Division..... 198
 Support Services Division 199
 Program Services Division 200
 Special Operations Division..... 201
 Grants 202

PUBLIC WORKS AND ENVIRONMENTAL RESOURCES

SOIL CONSERVATION DISTRICT 205
DEPARTMENT OF ENVIRONMENTAL RESOURCES 212
 Office of the Director 222
 Permits and Review 223
 Licenses and Inspection 224
 Administrative Services..... 225
 Animal Management 226
 Community Services..... 227
 Waste Management (EF45) 228
 Solid Waste Management Fund (EF45) 229
 Environmental Services (EF49) 230
 Stormwater Management Fund (EF49) 231
 Grants 232
PUBLIC WORKS AND TRANSPORTATION 234
 Office of the Director 242
 Office of Transportation 243
 Office of Project Management..... 244
 Office of Engineering 245
 Office of Highway Maintenance..... 246
 Storm Drainage Maintenance..... 247
 Grants 248

PUBLIC SAFETY

POLICE DEPARTMENT.....	251
Office of the Chief.....	259
Bureau of Patrol.....	260
Bureau of Investigative Services.....	261
Bureau of Strategic Management.....	262
Drug Enforcement and Education.....	263
Drug Enforcement and Education Fund (SR51).....	264
Grants.....	265
FIRE/EMS DEPARTMENT.....	270
Office of the Fire Chief.....	279
Management Services Command.....	280
Fire Prevention Command.....	281
Emergency Operations Command.....	282
Support Services Command.....	283
Grants.....	284
VOLUNTEER FIRE DEPARTMENT.....	286
OFFICE OF HOMELAND SECURITY.....	291
Administration.....	299
Public Safety Communications.....	300
Emergency Management Operations.....	301
Grants.....	302

EDUCATION AND LIBRARY

MEMORIAL LIBRARY.....	305
Public Services.....	313
Administration.....	314
Support Services.....	315
PRINCE GEORGE'S COMMUNITY COLLEGE.....	316
Instruction.....	322
Academic Support.....	323
Student Services.....	324
Plant Operations.....	325
Institutional Support.....	326
Scholarships and Fellowships.....	327
Public Service.....	328
BOARD OF EDUCATION.....	329
Administration.....	336
Instructional Salaries.....	337
Pupil Services.....	338
Pupil Transportation.....	339
School Plant Services.....	340
Maintenance of Plant.....	341
Community Services.....	342
Fixed Charges.....	343
Health Services.....	344
Special Education.....	345
Mid-level Administration.....	346
Textbooks and Supplies.....	347
Other Instructional Costs.....	348
Food Services.....	349
Capital Outlay.....	350

HUMAN SERVICES

DEPARTMENT OF FAMILY SERVICES..... 355
 Office of the Director..... 364
 Office of Planning and Evaluation..... 365
 Management Services..... 366
 Aging Services..... 367
 Mental Health and Disabilities..... 368
 Domestic Violence Fund (SR50)..... 370
 Grants..... 371
HEALTH DEPARTMENT..... 376
 Administration..... 386
 Maternal and Child Health..... 387
 Addictions & Mental Health..... 387
 Environmental Health..... 387
 Adult & Geriatric Health..... 390
 Epidemiology & Disease Control..... 391
 Office of the Health Officer..... 392
 Grants..... 392
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT..... 399
 Administration..... 406
 Redevelopment..... 407
 Grants..... 408
 Housing Authority..... 411
 Redevelopment Authority..... 415
DEPARTMENT OF SOCIAL SERVICES..... 417
 Administration..... 425
 Community Programs..... 426
 Child, Adult and Family Services..... 427
 Grants..... 428

NON-DEPARTMENTAL

NON-DEPARTMENTAL..... 433
 Debt Service..... 434
 Grants and Transfer Payments..... 439
 Other Non-Departmental Expenses..... 441
 Contingency..... 443

THE CAPITAL BUDGET AND PROGRAM

Introduction..... 445
Education and Health..... 445
Transportation and Economic Development..... 446
Park and Recreation Facilities..... 446
Public Safety and County Facilities..... 446
Other County Facilities..... 447
Revenue..... 447
Summary of Capital Improvement Programs..... 448
Operating Impacts..... 449

APPENDIX

Grant Programs.....i
Industrial Development Authority.....xi
The Washington Suburban Transit Commissionxiii
Revenue Authority.....xiv
Spending Affordability Committee Report.....1

GLOSSARY

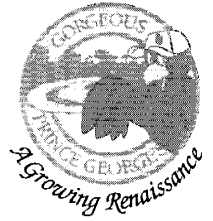
INDEX



Jack B. Johnson
County Executive

THE PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE



March 14, 2008

The Honorable Samuel H. Dean
and Members of the County Council
County Administration Building
Upper Marlboro, Maryland 20772

Dear Chairman Dean and Members of the County Council:

I am pleased to submit my proposed FY 2009 Operating and Capital Budgets to you for your consideration and approval. These budgets continue to implement our *Livable Communities Initiative* despite the significant fiscal challenges arising from a slowing economy and a weakening revenue outlook.

FY 2009 Budget Challenges

Over the past five years, we have been able to invest approximately \$910.7 million in new General Fund resources - primarily in Education, Public Safety programs and other services that have improved the quality of life for our citizens and residents. I am proud of the accomplishments we have achieved across all service areas with these unprecedented investments in our community. This was largely supported by a booming housing market and strong economic development in the county.

However, the county's General Fund revenue growth in FY 2009 will slow down dramatically. Total FY 2009 General Fund revenue is projected at \$2,670.8 million, which represents an increase of 1.3% or \$34.3 million over the FY 2008 budget. In comparison, the FY 2008 General Fund budget increased by \$263.2 million, or 11.1% from the prior fiscal year.

The FY 2009 proposed budget includes total county source revenues of \$1,537.8 million. This is a 0.3% increase from the FY 2008 budget. Outside aid is budgeted at \$1,132.9 million, an increase of 2.6% from the FY 2008 level. The slowdown in revenue growth is driven by the sharp decline in our housing market, housing transactions and housing related revenues. In the past several months, sales of existing homes have decreased by over 50% from the same period a year ago. Associated tax revenues have experienced similar levels of decline and a recovery is not anticipated in the immediate future. The state faced a projected \$1.5 billion FY 2009 deficit and attempted to close the projected gap by increasing taxes and reducing expenditures, including state aid to local jurisdictions. According to the State Department of Legislative Services, the county is expected to lose \$53.3 million in FY 2009 revenues. This includes decreases in Income Taxes (\$15.9 million due to increased tax exemptions), Electricity Deregulation Grant (\$7.7 million), Highway User Revenue (\$1 million), and state aid to the Board of Education (\$29.3 million less than the original statutory level). Based on the circumstances described above, the economic slowdown resulted in the county facing a \$95 million budget deficit.

In order to close the gap, we had to take several steps. First, all agencies were required to submit two scenarios for the FY 2009 budget - a maintenance budget and a scenario representing a 7% reduction from the maintenance level. Second, we reemphasized the importance of "Charter for Change," the County's performance management program, to more effectively align each agency's strategic priorities and core services with funding allocations. Having made these adjustments, the county still faced a budget gap and therefore we propose increasing the income and recordation taxes as described below. In addition, we will continue the hiring freeze for non-sworn positions, reduce debt service costs associated with a lower bond sale, and prudently use fund balance for one-time costs.

The FY 2009 Proposed Budget assumes an increase in the county Income Tax rate from 3.1% to 3.2% effective January 1, 2009. This change will increase the average household's annual local income tax by

14741 Governor Oden Bowie Drive, Upper Marlboro, Maryland 20772
(301) 952-4131 ■ TDD (301) 985-3894

\$40 or less than \$1.00 per week. It is expected to generate an additional \$6.5 million in General Fund Revenue in Fiscal Year 2009.

The Proposed Budget also assumes an increase in the county Recordation Tax rate from \$2.20 to \$2.50 for each \$500 on all instruments of writing subject to the tax. This change is expected to generate \$5.4 million in additional revenues in FY 2009. It will increase the recordation tax payment for a typical home transaction or refinancing in the county by about \$180 in FY 2009. Even after this rate increase, the county's recordation tax rate will still be among the lowest of all jurisdictions in the State.

This budget represents the continued funding of the Administration's priorities and maintains all essential services expected of the county government. These are challenging times, which require us to make hard decisions to ensure that all citizens of Prince George's County continue to have access to quality public education, public safety, and other county services. Therefore, I strongly urge the County Council to approve this proposed budget and the modest tax increases which are necessary to fund it.

During our budget deliberations we considered several options for increasing revenues and reducing expenditures. In the end, a modest tax increase is preferable to the alternative of furloughing county employees or deferring the hiring of additional public safety personnel. However, without the additional revenue, the implementation of these alternatives to reduce spending will be necessary.

Despite the fiscal difficulties, the FY 2009 proposed budget demonstrates our continued commitment to build upon our success by making targeted investments in core services and our citizens' priorities – education, public safety, health and human services, transportation, environment, economic development, and community revitalization.

FY 2009 Budget Highlights

The *Livable Communities Initiative* represents my vision of government, residents, and businesses of Prince George's County working together to create and maintain a community that is clean, safe, promotes educational excellence and is economically vibrant. The vision continues to guide our budget decisions. Our top priorities as reflected in the Proposed FY 2009 Budget remain education and public safety.

The proposed General Fund Operating Budget of \$2.67 billion (\$2,670,754,000) represents an increase of \$34.3 million, or 1.3%, over the FY 2008 approved budget. Major investments in the proposed FY 2009 budget include:

- Board of Education (\$1.68 billion) – an increase of \$23.7 million
- Police Department (\$267.3 million) – an increase of \$23.2 million
- Fire/EMS Department (\$116.8 million) – an increase of \$7.3 million
- Prince George's Community College (\$88.9 million) – an increase of \$5.3 million
- Department of Corrections (\$72.7 million) – an increase of \$4.4 million
- Office of the Sheriff (\$34.3 million) – an increase of \$2.2 million
- Office of the State's Attorney (\$14.3 million) – an increase of \$1.4 million
- Board of Elections (\$3.9 million) – an increase of \$0.7 million
- Circuit Court (\$14.1 million) – an increase of \$0.6 million
- Office of Homeland Security (\$19.9 million) – an increase of \$0.5 million
- Office of Information Technology and Communications (\$9.9 million) – an increase of \$0.4 million

Other agencies experienced minor increases or decreases in the FY 2009 budget. This budget is constructed without jeopardizing sound fiscal management principles. The proposed budget continues to adhere to the Charter-mandated reserve of 5% of the General Fund and the county's fiscal policy of an additional 2% reserve. The proposed budget recognizes the anticipated continued slowdown in county revenues over the next several years by avoiding long-term funding commitments that could jeopardize the county's fiscal integrity in the future. The proposed budget limits the number of new positions to primarily public safety agencies and to specific areas of need where greater efficiencies or expanded service can be accomplished by adding new positions. In addition, the proposed budget contains \$8.0 million in General

Fund pay-go capital projects. This funding continues a long-term commitment to complement traditional General Obligation Bonds in funding the county's capital program by providing direct funding of projects that will not incur additional debt service.

Described below are some of the major investments in the *Livable Communities Initiative* contained in the proposed FY 2009 budget.

Education

Over the past five years, approximately \$550.9 million in additional funds primarily from county and state sources have been invested in the public school system. These investments are translating into academic performance gains. I am proud to state that my FY 2009 proposed budget fully funds the Board of Education's operating request of \$1.68 billion, an increase of \$23.7 million (1.4%) over last year. This represents the third consecutive year that we have fully funded the Board's budget request. The Board continues to receive the majority (63%) of the county's budget in FY 2009. The Board will have received over one half billion new dollars under this Administration, with the FY 2009 proposed budget.

The proposed FY 2009 budget provides sufficient resources for the Board of Education to continue moving the school system in a positive direction. Our children will have the high-quality education system that they deserve. A high-performing system will produce both a highly educated and skilled workforce.

The county's contribution to the Board is approximately \$614.5 million, which exceeds the state's maintenance of effort requirement by approximately \$18.0 million. The State has also been a major contributor to the Board, primarily through the Thornton funding. In FY 2009, the State is expected to contribute \$921.7 million through various state aid programs, an increase of \$15.4 million including the Geographic Cost of Education Index (GCEI) funding. FY 2008 is the last year of the five-year phase-in of the Thornton legislation. Plus, the General Assembly approved legislation during the Special Session to freeze inflation in the education aid formulas for FY 2009 and FY 2010. As a result, the Board is expected to see a significant slowdown in the growth of funding from the State in FY 2009 and beyond. I should note that the Board has included salary increases in the budget representing an annualized increase of about \$28 million in next year's budget. Due to the economic realities for the state and county, the Board will be presented with hard fiscal choices in FY 2010.

The proposed FY 2009 budget also includes significant additional investments in the Prince George's Community College. In FY 2009, the college will receive \$88.9 million. The county has continued our strong commitment to the community college by providing \$28.5 million in county funds, an increase of \$0.7 million from FY 2008 and growth of \$8.8 million from FY 2007. The county is also fortunate to have one of the best library systems in the State of Maryland. The Prince George's County Memorial Library System will receive \$26.7 million in FY 2009. The county contribution to the Library maintains level funding at \$18.6 million due to the fiscal difficulties the County faces.

Public Safety

The proposed budget continues our unprecedented investments in our public safety agencies – Police, Fire/EMS, Corrections, Sheriff, Homeland Security, and Volunteer Fire. The budget provides funding for recruitment classes and new positions in Police, Fire, Homeland Security, Sheriff, and Corrections. In total, the county will invest \$524.9 million in FY 2009 in these agencies, an increase of \$37.9 million or 7.8% over FY 2008.

The Police Department receives the majority of these funds with \$267.3 million in FY 2009, an increase of \$23.2 million. In September 2004, I pledged that the county would hire a minimum of 150 new officers annually for the next six years. I am proud to state that the proposed budget once again exceeds this goal. In FY 2009, the Police Department will conduct three classes for a total of 210 new officers. These additional hires will result in a net increase in the approved sworn complement from 1,710 officers in FY 2007 to 1,786 by the end of FY 2009, after factoring in anticipated attrition. This recruitment schedule continues the long-term goal of expanding our police force to adequate levels. Also, it meets increased service needs from new economic development projects such as the National Harbor Project, which opens in Spring 2008.

The Fire Department will receive approximately \$116.8 million, an increase of \$7.3 million, to assist in the delivery of fire and emergency medical system services to our residents. The Fire Department's sworn staffing levels will increase by 16 positions, from 750 in FY 2008 to 766 in FY 2009. The Office of Homeland Security has also played a critical role in improving the safety of our residents. The FY 2009 proposed budget provides \$19.9 million in funds to improve our 911 center operations and our ability to respond to local and regional disasters and terrorist events. The budget contains funds for the retention of existing 911 staff and 10 new positions. In addition, the proposed budget includes \$14 million in funding for our volunteer fire companies that partner with the county's professional department in providing fire protection services to our citizens.

The Department of Corrections and the Office of the Sheriff will receive \$72.7 million and \$34.3 million, respectively. The Department of Corrections' budget contains funding for two new civilian positions and 14 additional correctional officers in an attempt to meet staffing needs and strengthen alternatives-to-incarceration programs. As a result, the department's sworn complement will increase from 479 in FY 2008 to 493 in FY 2009. The Office of the Sheriff's sworn complement will increase from 237 in FY 2008 to 247 in FY 2009, primarily for the Domestic Violence Intervention initiative. The goal is to continue gradually hiring more deputy sheriffs to expand the program to other areas of the county. These additional resources will allow police officers who currently respond to domestic violence calls to respond to other police-related calls.

Health and Human Services

The FY 2009 budget continues the efforts to maintain and enhance health and human services programs throughout the county. The proposed budget includes \$12 million for the Prince George's Hospital System. This figure represents our portion of an agreement with the Governor in early March 2008, which assures the continuity of service for the hospital and our citizens. I will continue to work with the state and the council in this regard.

The FY 2009 proposed budget includes \$36.0 million in funding for various health and human services programs, including services for the elderly, disabled and families and children in need. This funding represents an increase of \$0.4 million over FY 2008. Funding continues to support the county's Family Emergency Shelter for intact homeless families, outreach and counseling services to troubled and at risk youth, and the healthy families program. Moreover, \$0.6 million Pay-go money is included in the budget for a new homeless shelter.

Transportation

As the county's economic development continues to expand and its population grows, we need to ensure that we invest in our transportation system. The Department of Public Works and Transportation will receive \$14.3 million from General Fund and \$17.6 million from enterprise funds in FY 2009. Thirty new positions are funded through the Stormwater Management Enterprise Fund in FY 2009 to help strengthen right-of-way litter pickup. Other investments include funds for *TheBus* services, snow removal contracts, road salt purchases, and litter removal contracts. In FY 2009, the county is continuing to make significant investments in our transportation system through the Capital Budget. Those investments are highlighted later in the capital budget section.

Environment

The Department of Environmental Resources is the backbone of the Livable Communities Initiative. The FY 2009 proposed budget includes \$12.3 million from the General Fund and \$127.0 million from enterprise funds for various programs to maintain and protect our environmental resources. Major investments include funds for waste disposal operations, curbside recycling programs, refuse collection programs, and bulky trash pickup. In addition, the proposed FY 2009 budget includes four new positions funded by the enterprise funds to provide services for residents through solid waste operations. The budget also includes an initial investment in the county's Green Programs in the Office of Central Services.

Housing and Community Development

As the county continues to grow, we also continue our investment in established communities. Some of the major development projects continuing include the Gateway Arts and Entertainment District, Bladensburg Town Center, Palmer Park Senior Village, International Corridor in Langley Park and the facilitation of transit-oriented development around the Addison Road Metro station. These efforts are the result of strong partnerships between public, private and non-profit organizations and continued funding through federal, state and local agencies. In FY 2007, the Administration fulfilled its commitment to county residents and began the acquisition and relocation phases of the Suitland Manor project. The county anticipates completing the redevelopment and revitalization of this site in FY 2009. Moreover, funds are budgeted for the African-American Museum at North Brentwood. The existence of strong partnerships between public, private and non-profit organizations promote the county's revitalization.

Economic Development

The FY 2009 budget continues the investment in economic development. We have celebrated a number of successes – including M Square, Konterra, Steeplechase, and National Harbor, of which phase one is set to open during spring 2008. However, more can be done to attract and retain the high-quality businesses that our community deserves. As such, the FY 2009 budget contains significant increases in our economic development partners - Prince George's Economic Development Corporation (EDC), the Prince George's County Conference and Visitors Bureau (CVB), and the Prince George's Financial Services Corporation (FSC). The proposed budget continues to enhance our economic development efforts by providing \$4.7 million in funding to EDC (\$3.0 million), CVB (\$1.0 million), and FSC (\$0.7 million) – an increase of \$259,900 or 5.9% over FY 2008. These entities are critical to expanding our economic base by attracting and retaining businesses, attracting visitors and conventions, and providing loans and other financial resources to businesses. The new investments will expand our workforce development opportunities, business outreach, marketing efforts, and ability to attract major events.

Information Technology

The proposed budget will continue our significant investments in technology, including the continued phase-in of voice over internet protocol (VoIP) solutions for county facilities, on-line timesheets and document management systems. These investments will help to transform the county into a fully functioning, technology-driven government with the goal of improving our operational efficiencies and customer service. The budget includes \$1.5 million in efficiency improvements as a result of implementation of these systems.

Capital Improvement Program

The proposed FY 2009 Capital Budget includes approximately \$125.3 million in new bond sales for capital projects. The proposed budget continues our unprecedented commitment to improving the county's infrastructure by building new and renovating existing public school buildings, library facilities, Fire/EMS stations, community college facilities and roads. Providing a first-class infrastructure is essential to attracting new residents and businesses as well as providing a livable community for current residents.

In FY 2009, the county will open the new high school additions at Parkdale and Potomac High Schools, as well as the Laurel-Beltville Elementary School. The proposed budget also includes construction funds for the replacement and expansion of Oxon Hill High School, the Laurel High School Auditorium and Classroom Addition, the Greenbelt Middle School renovation, and the new Planning Subregion VI Elementary School. The budget also contains funds for major repairs and renovations.

During the past five years, we have invested heavily in our transportation network and the proposed FY 2009 budget continues this investment by providing over \$65.4 million for various transportation projects. Major investments include Phase III of the Ammendale/Virginia Manor Roads project, Phases I and II of the Cherry Hill Road project, and numerous countywide improvement projects.

The county will also invest in several facilities in FY 2009, including \$12.9 million in the Prince George's Community College Center for Health Studies, Enterprise Resource Planning System, Accokeek Hall

Renovation, and Major Pool Repairs. The budget also includes \$3.3 million for library branch renovations and additional funding for the District 7 Branch Library. The budget also invests in our Fire/EMS facilities by providing \$12.5 million in funding for various projects, including the Seat Pleasant Volunteer Fire Department, Saint Joseph's Drive Fire/EMS Station, Baden Fire Station, Brandywine Fire Station, Capitol Heights Fire Station, and various fire station renovation projects. In addition, the budget provides funds for the Public Safety 800 MHz system, and \$5.0 million for the renovation of numerous county buildings.

Additional Risks

At this time, the State's budget has not been finalized and there are reports of an estimated additional \$300 million budget deficit. To close this gap, a reduction of local aid is possible if proposed State tax increases are not adopted or if state revenue estimates decrease. At this moment, it appears that further reductions to Community College and other county aid are possible. If the Geographic Cost of Education Index (GCEI) funds are not appropriated, the county's budget will be reduced by \$23.6 million. Final State aid numbers will not be available until April; subsequent to the presentation of the proposed county budget to the County Council. Moreover, the economic outlook could deteriorate and cause further decreases in county revenues. Hence, I strongly advocate for approving the proposed tax increases and supporting our prudent fiscal policies, including maintaining an adequate level of rainy day funds in order to protect the county's fiscal status.

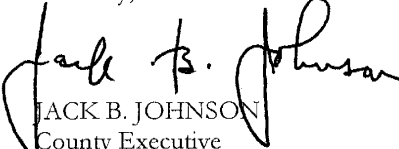
Spending Affordability

The Spending Affordability Committee (SAC) continues to provide valuable and independent recommendations on spending affordability to both the Executive and Legislative branches. For FY 2009, the SAC recommended a spending level of \$2.63 billion. The FY 2009 proposed budget is \$44.4 million higher than the SAC recommendation. The difference is primarily a result of higher than expected property taxes, some additional fee revenue and outside aid for the Board of Education (including increased use of its own fund balance).

This budget, with minor growth of 1%, represents a prudent and sensible fiscal approach. Despite the huge fiscal challenge, I believe we have developed a budget that continues to meet the core needs of our citizens for county services, provides adequate funding for our public school system and community college, and provides funding to improve our public safety systems. At the same time, the budget maintains the proper fiscal discipline and prudence that we need during the current economic conditions.

I am confident that you will share in the main priorities outlined in the budget. I look forward to working with you in the coming weeks as the County Council reviews the budget in greater detail. Thank you in advance for your thoughtful consideration and your commitment to serve the citizens and residents of Prince George's County.

Sincerely,



JACK B. JOHNSON
County Executive

ADJUSTMENTS TO THE PROPOSED FY 2009 BUDGET

GENERAL FUND	PROPOSED BUDGET	ADJUSTMENTS	APPROVED BUDGET	DESCRIPTION
GENERAL GOVERNMENT				
County Executive	5,908,000	0	5,908,000	
County Council	14,541,000	(500,000)	14,041,000	Decrease funding in Non-Divisional for printing costs associated with the Legislative Branch Annual Report, IT System enhancements, lighting improvements, and renovations. Increase funding for compensation and fringe benefits, increase funding for recoveries from M-NCPPC for personnel and service costs and increase funding in Non-Divisional for contracts.
Human Relations Commission	964,500	0	964,500	
Personnel Board	262,100	0	262,100	
Citizen Complaint Oversight Panel	283,500	0	283,500	
People's Zoning Council	0	0	0	
Office of Finance	4,741,300	0	4,741,300	
Office of Community Relations	1,994,200	0	1,994,200	
Office of Management and Budget	2,448,600	0	2,448,600	
Board of License Commissioners	1,263,500	0	1,263,500	
Office of Law	5,091,600	0	5,091,600	
Office of Human Resources Management	7,003,400	0	7,003,400	
Office of Info. Tech. & Communications	9,867,800	0	9,867,800	
Board of Elections	3,879,700	0	3,879,700	
Office of Central Services	17,160,200	(678,800)	16,481,400	Decrease funding in compensation and fringe benefits and place in contingency section of the budget as a spending control measure.
SUBTOTAL	75,409,400	(1,178,800)	74,230,600	
CRIMINAL/CIVIL JUSTICE				
Circuit Court	14,068,500	0	14,068,500	
Orphans' Court	391,400	0	391,400	
Office of the State's Attorney	14,333,400	0	14,333,400	
Office of the Sheriff	34,287,600	148,855	34,436,455	Increase funding in compensation and fringe benefits for Deputy Sheriffs.
Department of Corrections	72,660,800	(2,906,400)	69,754,400	Decrease funding in compensation and fringe benefits and place in contingency section of the budget as a spending control measure.
SUBTOTAL	135,741,700	(2,757,545)	132,984,155	
PUBLIC SAFETY				
Police Department	267,318,700	(10,693,000)	256,625,700	Decrease funding in compensation and fringe benefits and place in contingency section of the budget as a spending control measure.
Fire/EMS Department	116,798,700	(4,672,000)	112,126,700	Decrease funding in compensation and fringe benefits and place in contingency section of the budget as a spending control measure.
Volunteer Fire Department	14,009,700	0	14,009,700	
Office of Homeland Security	19,859,900	0	19,859,900	
SUBTOTAL	417,987,000	(15,365,000)	402,622,000	
PUBLIC WORKS & ENVIRONMENTAL RESOURCES				
Public Works & Transportation	14,262,200	(564,100)	13,698,100	Decrease funding in compensation and fringe benefits and place in contingency section of the budget as a spending control measure.
Department of Environmental Resources	12,279,900	(485,700)	11,794,200	Decrease funding in compensation and fringe benefits and place in contingency section of the budget as a spending control measure.
Soil Conservation District	0	0	0	
SUBTOTAL	26,542,100	(1,049,800)	25,492,300	
EDUCATION & LIBRARY				
Community College	88,861,500	4,000,000	92,861,500	Increase funding to close gap based on original budget request of the College and increase in recoveries from the M-NCPPC.
Library	26,655,900	0	26,655,900	
Board of Education	1,678,949,700	0	1,678,949,700	
SUBTOTAL	1,794,467,100	4,000,000	1,798,467,100	

GENERAL FUND	PROPOSED BUDGET	ADJUSTMENTS	APPROVED BUDGET	DESCRIPTION
HUMAN SERVICES				
Department of Family Services	3,164,500	0	3,164,500	
Department of Social Services	3,018,500	0	3,018,500	
Health Department	27,565,600	0	27,565,600	
Housing & Community Development	2,220,600	0	2,220,600	
SUBTOTAL	35,969,200	0	35,969,200	
NON-DEPARTMENTAL				
Debt Service	71,708,900	0	71,708,900	
Grants and Transfer Payments	33,054,200	2,706,145	35,760,345	Increase funding for Foreclosure Assistance Program; Increase funding for various grants and decrease in transfers to Redevelopment Authority CIP.
Other Non-Departmental Expenses	79,874,400	(3,655,000)	76,219,400	Decrease in funding for Other Post Employment Benefits contribution.
Contingencies	0	20,000,000	20,000,000	Place funding for compensation and related fringe benefits in Contingency from the Office of Central Services, Police Dept., Fire/EMS Dept., Dept. of Corrections, Dept. of Environmental Resources, and Dept. of Public Works & Transportation.
SUBTOTAL	184,637,500	19,051,145	203,688,645	
TOTAL GENERAL FUND	2,670,754,000	2,700,000	2,673,454,000	

OTHER FUNDS	PROPOSED BUDGET	ADJUSTMENTS	APPROVED BUDGET	DESCRIPTION
INTERNAL SERVICE FUNDS				
Fleet Management	14,159,900	4,200,000	18,359,900	Technical adjustment for appropriating the General Fund Transfer contribution.
Information Technology	27,878,300	0	27,878,300	
TOTAL INTERNAL SERVICE FUNDS	42,038,200	4,200,000	46,238,200	
ENTERPRISE FUNDS				
Stormwater Management	42,840,500	0	42,840,500	
Solid Waste	108,883,900	0	108,883,900	
TOTAL ENTERPRISE FUNDS	151,724,400	0	151,724,400	
SPECIAL REVENUE FUNDS				
Debt Service	111,165,700	0	111,165,700	
Drug Enforcement & Education	2,500,000	0	2,500,000	
Collington Center	5,000	0	5,000	
Property Management & Services	275,300	0	275,300	
Domestic Violence	359,400	0	359,400	
Industrial Development Authority	44,800	0	44,800	
TOTAL SPECIAL REVENUE FUNDS	114,350,200	0	114,350,200	
GRANT PROGRAMS FUND	189,162,800	7,092,400	196,255,200	Increase in grant funds to the following departments: Office of Community Relations, Police Department, Department of Social Services, Department of Family Services, Office of the State's Attorney, Department of Public Works and Transportation, Health Department and Non-Departmental
TOTAL ALL FUNDS	3,168,029,600	13,992,400	3,182,022,000	

COUNTY PROFILE

The Maryland General Assembly officially chartered Prince George’s County on April 23, 1696. It was named in honor of Prince George of Denmark, husband of Princess Anne, the heir to the British throne. From those colonial beginnings, Prince George’s County has grown to become the second largest jurisdiction in the State of Maryland (and the third largest in the metropolitan Washington area); its population is greater than that of six states. In 1996, the County proudly celebrated its three hundredth anniversary.

POLITICS / GOVERNMENT

Form of Government.....Charter Home Rule (established 1970)
 Executive Branch.....Elected County Executive
 Legislative Branch.....Nine-Member County Council Elected by Councilmanic District

Incorporated Municipalities.....27

County Government Workforce (FY 2009 full-time authorized positions)
 General Fund.....5,994
 All Funds.....6,999

Selected Public Facilities

Miles of County-maintained Paved Roads.....1,818
 District Police Stations.....6
 Fire and Emergency Rescue Stations.....47
 Parks/Recreation Facilities (active parks).....379
 Multi-Purpose Senior Centers (owned by MNCPPC).....4
 Libraries.....20
 Public Schools
 Elementary Schools.....137
 Middle Schools.....27
 High Schools.....25
 Special Centers.....9
 Vocational Centers.....5

DEMOGRAPHICS

Land Area (square miles) (M-NCPPC).....487

Population

Municipality Total (Census 2000).....213,795
 County Total (Census, Population Estimates Program-July 2007).....828,770
 County Total in 2010 (M-NCPPC Forecast).....900,800

Racial/Ethnic Mix (Census, 2006 ACS profile)

Black64.6%
 White22.7%
 Other12.7%
 Hispanic (regardless of race).....11.7%

Gender (Census, 2006 ACS profile)

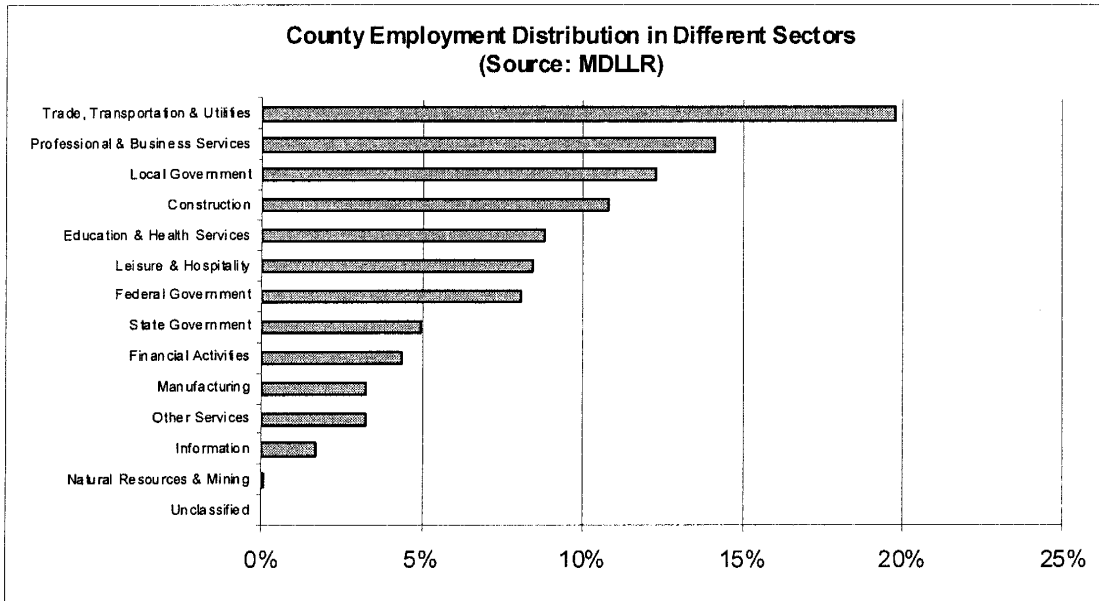
Male.....48.0%
 Female.....52.0%

Median household income (Census, 2006 ACS profile).....\$65,851
 Per capita income (Census, 2006 ACS profile).....\$28,631

EMPLOYMENT (Maryland Dept of Labor, Licensing and Regulation)

2007 Average Annual Employment.....	431,489
2006 Average Annual Labor Force.....	448,811
2007 Average Annual Unemployment Rate	3.9%

According to the third quarter data of calendar year 2007 (latest data available), about 75% of all workers were employed by the private sector and the remaining 25% worked for federal, state and local government. However, public sector workers, at \$1,151 per week, had higher average weekly earnings than private sector employees who on average earned \$816 per week.



<u>Employment & Payrolls</u>	<u>CY 2006 Average Weekly Wage Per Worker</u>	<u>CY 2007 Average Weekly Wage Per Worker</u>	<u>% Change</u>
Government Sector - Total	\$ 1,106	\$ 1,151	4%
Federal Government	1,468	1,540	5%
State Government	823	873	6%
Local Government	972	1,009	4%
Private Sector -Total	\$ 787	\$ 816	4%
Natural Resources & Mining	935	907	-3%
Construction	958	1,008	5%
Manufacturing	1,134	1,233	9%
Trade, Transportation & Utilities	672	695	3%
Information	1,092	1,209	11%
Financial Activities	879	889	1%
Professional & Business Services	1,004	1,028	2%
Education & Health Services	760	795	5%
Leisure & Hospitality	297	303	2%
Other Services	643	663	3%
Unclassified	92	628	583%
All Sectors - Average	\$ 868	\$ 901	0%

Source: Maryland Department of Labor, Licensing and Regulation (Employment and Payrolls – Third Quarter 2006 & Third Quarter 2007)

Top Ten Principal Employers (Listed Alphabetically)

Largest Private Sector Employers	Business Type
Chevy Chase Savings & Loan	Banking Services
Computer Sciences Corp.	Computer and Information Services
Dimensions Health Corp.	Health Services / Nursing Homes
Giant Food, Inc.	Retail Grocery Chain
Home Depot	Home Improvement Services
Safeway Stores, Inc.	Retail Grocery Chain (Regional Headquarters)
Shoppers Food Warehouse	Retail Grocery Chain (National Headquarters)
Southern Maryland Hospital	Hospitals
United Parcel Service	Package Delivery (Regional Headquarters)
Wal-Mart/Sam's Club	General Merchandise Stores
Largest Public Sector Employers	Business Type
Andrews Air Force Base	Defense Installation
Internal Revenue Service	Revenue Collection / Data Processing
Maryland-National Capital Park & Planning Commission	Urban Planning/Community Development
NASA / Goddard Space Flight Center	Space Satellite Design and Tracking
Prince George's County	Local Government
Prince George's County Public Schools	Education
United States Bureau of the Census	Demographic and Economic Surveys
United States Post Office	Mail Delivery
University of Maryland, College Park	Education - State University (flagship)
Washington Metropolitan Area Transit Authority	Transit and Ground Passenger Transportation

Source: Maryland Department of Labor, Licensing, & Regulation, March 2007

ECONOMICS

2007 Median Existing Home Sales Price (MRIS).....	\$320,000
2007 Median New Single Family Homes Sales Price (Hanley Wood Market Intelligence).....	\$590,990
2007 New Single Family Home Permits Issued (DER).....	2,133

Top Ten Principal Taxpayers

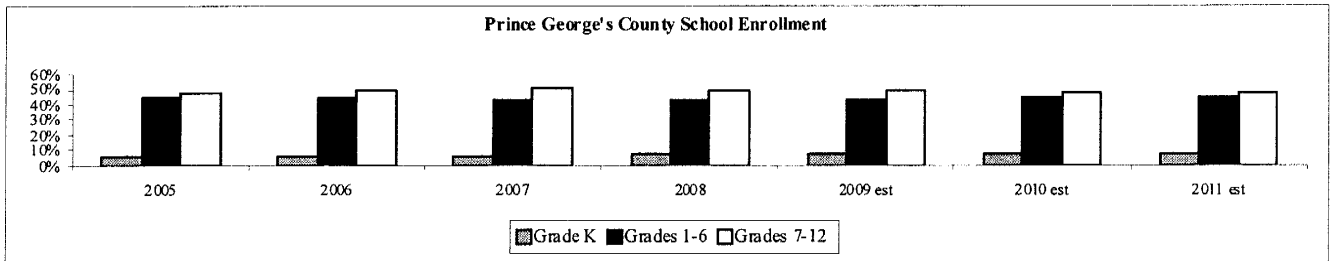
<u>Name</u>	<u>Total Assessment</u>
Mirant Chalk Point LLC	\$483,708,600
Potomac Electric Power Co.	\$410,699,262
Verizon - Maryland	\$386,977,640
Washington Gas Light Company	\$199,172,318
JCK Stadium (FedEx Field)	\$181,825,166
Baltimore Gas and Electric Co.	\$127,904,490
Silver Oaks Campus LLC	\$115,463,500
Summerfield Housing Ltd. Partnership	\$101,661,399
Samuel Zell Trs	\$97,583,750
Greenbelt Homes, Incorporated	\$91,519,960
Total Value	\$2,196,516,085

Source: Comprehensive Annual Financial Report (June 30, 2007)

EDUCATION

Public School Enrollment (Board of Education).....121,640

School enrollment for all grades (excluding Pre-K) is estimated at 121,640 in FY 2009 and is expected to be 120,822 in FY 2011. Kindergarten students account for roughly 8% of the total student body.



Source: Board of Education

County Education

Less than 9th grade	30,919	6%
9th to 12th grade, no diploma	42,147	8%
High school graduate (including equivalency)	151,184	28%
Some college, no degree	112,798	21%
Associate degree	37,163	7%
Bachelor's degree	94,680	18%
Graduate or professional degree	65,402	12%
Total	534,293	100%
Percent high school graduate or higher	86.3%	
Percent bachelor's degree or higher	30.0%	

Source: U.S. Census Bureau, American Community Survey 2006