Budget Guide

This is one of two documents presenting the County's approved budget for Fiscal Year 2026 (FY 2026). The operating budget (which is described here) underwrites the County's day-to-day operations. The six-year Capital Improvement Program (CIP) is the County's spending plan for capital facilities—buildings, roads, parks and the like—through FY 2031. Within the CIP is the capital budget, which consists of the first year's planned expenditures for the six-year program. The CIP and capital budget are described in a separate document, *The Proposed Capital Budget and Program.*

How to Read the Budget Book 3
Funds Included in the Operating Budget 7
Budgetary Basis 10
Semi-Autonomous Agencies 11
County Government Organization 12
The Budget Process 14
Capital Budget and Program Process 16
Budget Amendment Process 17
Relationship Between the Capital and Operating Budgets 18

GEORGE'S
PRINCE
COUNTY
SEMPER
EADEM
MARYLAND

HOW TO READ THE BUDGET BOOK

The budget book includes three important items regarding the County's FY 2026 budget: summary information, agency budgets and supplemental information which are explained in the sections below.

Summary Information

The summary of the FY 2026 budget is in three individual sections, identified by tabs, listed below.

- Strategic/Fiscal Policies- Summarizes the application and use of the County's performance management system and financial policies that are utilized and implemented in the budget.
- Budget Overview- Provides a summary of the FY 2026 budget's expenditures, revenues, distribution of funds, positions, fringe benefit costs and fund balance.
- Revenue- Details the County's revenues that fund this and past budgets.

Agency Budget Sections

Individual agency budgets (such as the Police Department and Office of Homeland Security) are grouped by functional areas (such as Public Safety). These agencies contain sub-classifications by divisions, such as Bureau of Patrol or Bureau of Investigations. Depending on the agency, its budget pages can include some, if not all of the following sections: Organizational Chart, Mission and Services, FY 2025 Key Accomplishments, Strategic Focus and Initiatives for FY 2026, FY 2026 Budget Summary, Staff and Budget Resources, Expenditure by Category – General Fund, General Fund – Division Summary, Divisional Overview, Other Funds (Internal Service, Enterprise and Special Revenue Fund), Funds Summary, Grants and Service Delivery Plan and Performance. Each of these sections is explained below.

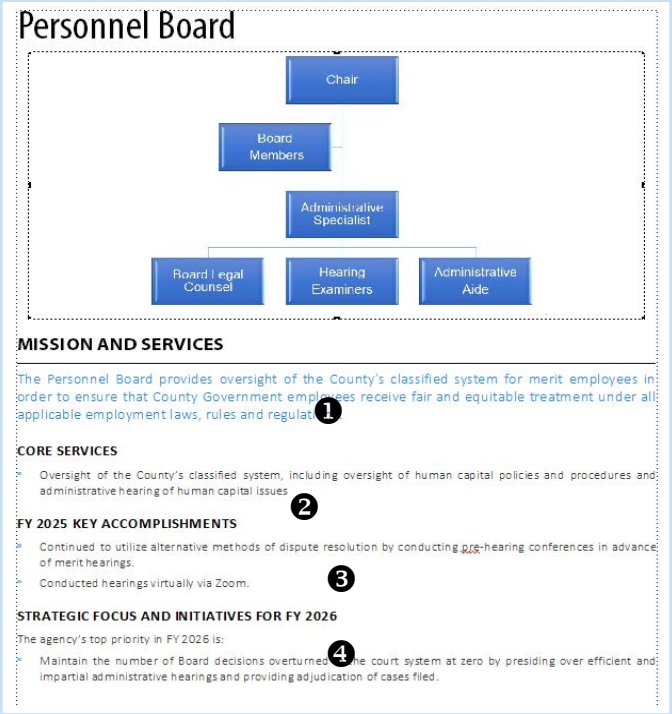
Organizational Chart

The first section in the budget book is the Organizational Chart. This chart illustrates the core divisions and/or functional areas of the agency.

Mission and Services

- **Section 1: *Mission*** - Includes the agency's mission statement which summarizes the agency's purpose.
- **Section 2: *Core Services*** - Lists the programs/ services the agency delivers to its customers.
- **Section 3: *FY 2025 Key Accomplishments*** - Includes a highlighted list of the agency's FY 2025 achievements.
- **Section 4: *Strategic Focus in FY 2026*** - Lists an agency's top priorities (objectives) for FY 2026 along with the top strategies to accomplish that objective. The purpose of this section is to provide the reader with a snapshot of the agency's focus for the fiscal year.

*Following is an example of the first two sections for each agency: **Organizational Chart** and **Mission and Services** sections. These sections summarize the agency's strategic direction and responsibilities. Below, more detail on each subsection is provided. An agency may or may not have all of the information illustrated below.*



FY 2026 Budget Summary

- **Section 1: *Budget Summary*** – Following the Mission and Services section is the FY 2026 Budget Summary that provides the total agency appropriation if the agency has more than one fund budget.
- **Section 2: *Expenditure by Fund Type*** – This table illustrates General Fund and the other funds' budgets for this agency as well as the percentage of each fund as a whole for the agency.
- **Section 3: *Reconciliation from Prior Year*** – Illustrates all of the changes from the FY 2025 budget to the FY 2026 budget for each fund budget.

Following is an example of the FY 2026 **Budget Summary** *section. This section illustrates the agency's budget expenditures – overall and by fund type and categorizes the changes between the prior year and the current year for the General Fund and other applicable funds. Below, more detail on each subsection is provided. An agency may or may not have all of the information illustrated below.*

FY 2026 BUDGET SUMMARY

The FY 2026 proposed budget for the Personnel Board is $493,600, an increase of $33,500 or 7.3% over the FY 2025 approved budget. ❶

Expenditures by Fund Type

	FY 2024 Actual		FY 2025 Budget		FY 2025 Estimate		FY 2026 Proposed	
Fund Types	Amount	% Total	Amount	% Total	Amount	% Total	Amount	% Total
General Fund	$449,323	100.0%	$460,100	100.0%	$469,800	100.0%	$493,600	100.0%
Total	$449,323	100.0%	$460,100	100.0%	$469,800	100.0%	$493,600	100.0%

❷

Reconciliation from Prior Year

	Expenditures
FY 2025 Approved Budget	$460,100
Increase Cost: Compensation - Mandated Salary Requirements	$25,500
Increase Cost: Fringe Benefits — Increase in the fringe benefit rate from 30.2% to 30.3% to align with projected costs	8,200
Increase Cost: Technology Cost Allocation — Increase in OIT charges based on anticipated countywide costs for technology	1,600
Increase Cost: Operating — Increase in telephone to align with historical spending	300
Decrease Cost: Operating — Decrease in printing, periodicals, training, mileage reimbursement, office supplies to align with historical spending	(2,100)
FY 2026 Proposed Budget	$493,600

❸

Staff and Budget Resources

- **Section 1: *Authorized Positions*** - Illustrates the agency's positions by type of employee (full time, part time, limited term) and funding source. The FY 2026 staffing is compared to the previous year's level. Limited term staff are employed under renewable personal service contracts for periods not exceeding one year. They serve in operations where continued funding is not assured from year to year. Although limited term personnel are employed predominantly in grant programs, a small number of these employees are funded in the General Fund, commonly from non-County revenues.
- **Section 2: *Positions by Classification*** – Illustrates the agency's staffing resources in the FY 2026 budget by position classification description and by full time, part time and limited term status.
- **Section 3: *Expenditures by Category - General Fund*** – Illustrates and summarizes budgeted amounts at the agency level for compensation, fringe benefits, operating expenses, capital outlay and recoveries. This includes a three-fiscal-year summary of General Fund expenditures along with the amount and percent FY 2026 change over the prior year. Descriptions of major cost elements, recoveries, key changes and other considerations affecting the agency's general fund budget also are provided in this section.
- **Section 4: *Expenditure by Division – General Fund*** - For agencies that are subdivided into major divisions, this table illustrates a three-fiscal-year summary of General Fund total expenditures along with the amount and percent FY 2026 change over the prior year for each division.
- **Section 5: *General Fund – Division Summary*** - For agencies that are subdivided into major divisions, this table illustrates a three-fiscal-year summary of division expenditures broken down by compensation, fringe benefits, operating expenses, capital outlay and recoveries along with the FY 2026 change over the prior year.

Division Overview

For agencies that are subdivided into major divisions, pages summarizing each activity are presented next. An activity page focuses on the expenditures and positions supported by the General Fund. Each division section includes a brief description of the responsibilities of the activity and a ***Fiscal Summary*** of total division expenditures for FY 2025 Budget and FY 2026 Budget along with the amount and percent change over the prior year. Full time, part time and limited term staffing levels for the two budget years are also illustrated as well as the amount percentage changes from the prior year. Finally, the fiscal summary will highlight up to three

primary budget changes within the division over the prior year.

Following is an example of the FY 2026 ***Division Overview*** *section. This section illustrates the agency's budget expenditures and staffing resources by division.*

Facilities Operations and Management Division

The Facilities Operations and Management (FOM) Division is responsible for multiple building operations, renovations and maintenance services. These include utilities management, custodial services and mechanical repairs for County-owned, County-leased buildings and fire stations. This division is responsible for minor and major renovation projects, coordinating conference room scheduling and special project setup.

Fiscal Summary

In FY 2026, the division expenditures increase $1,146,600 or 6.2% over the FY 2025 budget. Staffing resources decrease by three positions under the FY 2025 budget. The primary budget changes include:

- Personnel costs increase primarily due to the annualization of FY 2025 and anticipated FY 2026 salary adjustments offset with a decrease in the budgeted attrition rate from 10% to 5% to fund more vacancies. Three previously unfunded positions transfer to the Fleet Fund.
- Operating costs increase due to new custodial and landscaping contracts for three new buildings to the agency's portfolio – the Special Operations Division Facility, the Health and Human Services building and the Forensics Lab.
- An increase in recoveries from the Fire/EMS Department building maintenance charges and an increase in personnel recoveries from the CIP Fund to align with salary adjustments.

	FY 2025 Budget	FY 2026 Proposed	Change FY25-FY26	
			Amount ($)	Percent (%)
Total Budget	**$18,578,500**	**$19,725,100**	**$1,146,600**	**6.2%**
STAFFING				
Full Time - Civilian	85	82	(3)	-3.5%
Full Time - Sworn	0	0	0	0.0%
Subtotal - FT	**85**	**82**	**(3)**	**-3.5%**
Part Time	0	0	0	0.0%
Limited Term	0	0	0	0.0%

Other Funds - Internal Service, Enterprise and Special Revenue

If an agency receives funding from other sources such as internal service, enterprise or special revenue funds, this information is presented after the General Fund (refer to Funds included in the Operating Budget below for definitions and explanations for these funds). To properly illustrate and account for these funds, a description, major cost summary and expenditure details are provided in the Other Funds section. This section will include an ***Expenditures by Category*** table that illustrates and summarizes budgeted amounts for compensation, fringe benefits, operating expenses, capital outlay and recoveries. This includes a three-fiscal-year summary of other fund expenditures along with the amount and percent FY 2026 change over the prior year. This table is followed by the ***Fund Summary*** table that illustrates and summarizes beginning and ending fund balance, fund revenue sources and fund expenditure amounts for each fund.

Grant Summary

If an agency receives grant funds, a grant section is also included within the agency budget pages following the previously described sections. For grants, an ***Expenditures by Category – Grant Funds*** table is included to display compensation, fringe benefits, operating expenses and capital outlay for three fiscal years. In many cases, the grant program year may not run parallel to the County fiscal year. The ***Staff Summary by Division – Grant Funds*** table displays the number of staff positions supported by grant funds comparing FY 2026 with prior year data.

The ***Grant Funds by Division*** table illustrates the spending amounts by budget year for each grant administered by the agency, including the dollar and percentage change. This chart will only illustrate grant awards made directly to the agency. It does not reflect sub-grant awards an agency may receive from another County agency. This allows the agency to accurately detail its program activities without overstating the grant revenue received by the County. Therefore, the associated grant total is captured within the lead agency grant appropriation and not in the grant appropriations of the subcontracting County agency. Additionally, this chart reflects any required or anticipated County contributions/cash match requirements for grant programs. All cash match requirements are included in the General or other funds total budget allocations. Finally, the **Grant Descriptions** section summarizes the grant programs that are included in the FY 2026 budget.

Service Delivery Plan and Performance

- **Section 1:** ***Goal*** - A statement that defines the intended impact of each service on the defined customers and how the agency will achieve its mission.
- **Section 2:** ***Objective*** - Each goal has one or a set of objectives that define the quantitative impact of the goal for short-, intermediate- and long-term targets. Below the objective is outcome data with multi-year information that illustrates the actual and projected service performance compared with the service's long-term target.
- **Section 3:** ***Trend and Analysis*** - A summary and explanation of performance trends, increases and decreases in data found in each table of performance measures.
- **Section 4:** ***Performance Measures*** - For each objective, there is a supporting table of actual, estimated and projected measures for the period of 2022-2026 for the fiscal year (FY) or calendar year

(CY). Estimated performance measures are based on the most recent review of year-to-date data and relevant trends and conditions. Projected performance measures consider the impacts of funding decisions in this budget, historical trends and known variables. The performance measures provide a quantitative picture of the objective's resources (input measures), workload, demand and production (output measures), efficiency, quality and impact (outcome measures) as the result of past, present and future resource allocations. Please note that in some cases performance measures may not have data for all years due to availability.

Following is a sample page for the next section, ***Service Delivery Plan and Performance****, which provides the agency's strategic plan and service delivery performance. In some cases, an agency may or may not have all of the information illustrated below.*

SERVICE DELIVERY PLAN AND PERFORMANCE ❶

Goal 1 — To provide agencies a diverse, highly qualified, healthy and productive workforce to deliver services effectively.

Objective 1.1 — Decrease the time to fill a vacant position

FY 2030 Target	FY 2023 Actual	FY 2024 Actual ❷	FY 2025 Estimated	FY 2026 Projected	Trend
65	107	74	70	69	↓

Trend and Analysis

The Office of Human Resources Management strives to provide County agencies with talented and qualified applicants to fill vacancies in a timely manner. In FY 2020, the agency convened a "Time to Fill" workgroup to map the existing "Time to Fill" process and generate ideas for further improvements. Since FY 2020, the agency has continued to work on technology enhancements and changes to reduce manual and paper-based processes. ❸ In FY 2026, performance metrics around "Time to Fill" continues to focus on improving the hiring process for full-time, open and promotional, non-public safety positions. OHRM launched a new pilot to improve the "Time to Fill" metrics for public safety positions in FY 2025 with a goal of 150 days.

Performance Measures

Measure Name	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Projected
Quality					
Days to send a list of qualified applicants to the agency	23	16	10	5	5
Days for Agency candidate screening (from date referred list is created to hire authorization date)	48 ❹	45	41	30	29
Days to complete a pre-employment public safety sworn background check	0	0	0	150	45
Days to complete a pre-employment civilian background check	0	0	0	90	15
Impact (Outcome)					
Time to fill (from date of approved requisition to the hire authorized date)	112	107	74	70	69

FUNDS INCLUDED IN THE OPERATING BUDGET

To budget and account for government receipts and expenditures, the County establishes various "funds" within the operating and capital budgets. Fund accounting is required by State and federal regulations, County Charter and the Generally Accepted Accounting Principles (GAAP). The operating budget uses five major types of funds: the general fund, internal service funds, enterprise funds, special revenue funds and grant program funds.

General Fund

The General Fund is the largest operating fund, accounting for approximately 82.9% of the operating budget in FY 2026. This fund supports the majority of County government services—police, fire, corrections, the courts, education, general government, college, library, etc. Most of the public's tax dollars are part of the General Fund, including most user charges, license and permit fees and certain dedicated and non-dedicated revenues from the State and federal governments.

Internal Service Funds

Internal service funds are used to finance, administer and account for the provision of goods or services by one agency to another within the County government. Internal service funds in the County are described below.

Fleet Management Internal Service Fund

The Fleet Management Internal Service Fund accounts for fees charged to agencies by the Fleet Management Division of the Office of Central Services. Agencies are charged for the repair and maintenance of vehicles owned and operated by the County.

Information Technology Internal Service Fund

This fund in the Office of Information Technology accounts for the operations of the County's data processing and computer services. Agencies pay user charges to the Information Technology Internal Service Fund for office automation equipment, use of the office automation network, system maintenance and other services provided by the data processing contractor.

Enterprise Funds

Enterprise funds are used to account for certain public services that are self-supporting by generating their own revenues from fees, charges and other receipts. The County's enterprise funds are described below.

Stormwater Management Enterprise Fund

The Stormwater Management Enterprise Fund is used to account for and support the County's stormwater management functions (flood plain and storm drain maintenance, rehabilitation and repair of flood channels, permit issuance, etc.), which were transferred from the Washington Suburban Sanitary Commission (WSSC) in FY 1988. The fund is supported by a stormwater management ad valorem tax of 13.5 cents per $100 of assessed value for personal property (3.0 cents per $100 in some areas) and 5.4 cents per $100 of assessed value for real property (1.2 cents per $100 in some areas) plus revenues from permit fees and interest income. The fund is administered by the Department of the Environment (DOE) and supports relevant services in both DOE and Department of Public Works and Transportation (DPWT).

Solid Waste Enterprise Fund

This fund supports a variety of environmental, recycling and solid waste collection and disposal services. These include the development, operation and maintenance of the County's landfills; bulky trash collection; roadside cleanup and abandoned vehicle control; refuse disposal activities; the recycling program; housing code enforcement; and various environmental planning, management and capital construction activities. The fund is also used to account for and administer revenues and expenditures associated with residential and commercial refuse collection.

The Solid Waste Enterprise Fund is supported by revenues from several sources including charges to property and business owners for recycling, bulky trash collection, certain capital and other non-operating expenses associated with solid waste disposal; tipping fees and related assessments charged for the use of the Brown Station Road Landfill; abandoned vehicle recoveries; recoveries from property owners under the

Clean Lot Ordinance and fees paid by property owners for commercial and residential refuse collection services. The fund is administered by DOE.

Local Watershed Protection and Restoration Fund

The FY 2014 budget introduced a new stormwater remediation fund. This new fund was established through CB-45-2013 in accordance with the provisions of House Bill 987 creating the Local Watershed Protection and Restoration (WPR) Program. The County Council establishes the authority and agency responsibilities needed to administer the WPR program. Through the establishment of a new stormwater remediation fee, the County will be able to meet its long-term State and federal mandates for water quality improvement.

The DOE manages this program. The agency's responsibilities include the following: (1) establish a fee structure and enforcement of fee collection; (2) administer guidelines for application, approval and appeal; (3) administer a credit program for on-site systems and (4) adopt procedures for monitoring and annually verifying the effectiveness of on-site systems.

Special Revenue Funds

Special revenue funds are used to account for special taxes or other dedicated revenues the Maryland General Assembly or the County Council requires to be used for a specialized purpose and which must therefore be kept separate from other County monies. The County's special revenue funds are described below.

Cannabis Reinvestment and Restoration Fund

This funding provides support to community-based initiatives as outlined in Section 10-349 of the County code.

Collington Center Special Revenue Fund

The Collington Center is a County-owned business park of approximately 1,280 acres located on U.S. 301. This fund accounts for revenue generated from the sale of property within the Collington Center and the finance costs incurred from managing the fund. This fund is located in the Office of Central Services.

Debt Service Special Revenue Fund

The Debt Service Special Revenue Fund provides for the payment of interest, principal and service charges on the County's general obligation bonds and State participation loans. This fund is illustrated in the Non-Departmental section.

Domestic Violence Special Revenue Fund

The Domestic Violence Special Revenue Fund is used to account for the proceeds of a marriage license surcharge collected to assist in financing battered spouse shelters and domestic violence programs. The fund also receives a contribution from the General Fund to support contracted shelter services. This fund is administered by the Department of Family Services.

Drug Enforcement and Education Special Revenue Fund

This fund supports the costs of drug enforcement and drug related education activities within the County. Revenue is generated from the forfeiture and sale of property seized as a result of drug enforcement activities. The available funds are distributed by the Police Department based on federal regulations.

Economic Development Incentive (EDI) Special Revenue Fund

This fund (an initial $50 million investment) tracks financial assistance (loans, guarantees and grants) provided to existing and potential industrial and commercial businesses in the County. The primary goal of the 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. This fund is illustrated in the Non-Departmental section.

Fair Election Special Revenue Fund

This fund supports the County's public campaign financing program established to promote and encourage broader access to County Elected office. The program is intended to enable citizens of Prince George's County to run for office on the strength of their ideas, supported by small donations from residents and others combined with matching funds from the Fair Election Fund. The fund and associated public campaign financing programs were established by CB-099-2018 and later amended by CB-076-2023. The fund is administered by the Office of Finance.

Housing Investment Trust Special Revenue Fund

This fund is used to support two programs. The programs are the Workforce Housing Gap Financing Program and the Down Payment and Closing Cost Assistance Program. These programs will enable the County to develop viable, mixed income communities of choice by providing gap financing for the development of decent, quality workforce housing opportunities for income eligible households. Additionally, the Down Payment and Closing Cost Assistance Program will provide home purchase assistance to eligible first time homebuyers to purchase owner occupied or vacant residential properties anywhere in Prince George's County. This fund is administered by the Department of Housing and Community Development.

Opioid Local Abatement Special Revenue Fund

The opioid Local Abatement Special Revenue Fund supports Opioid abatement initiatives in the County, including prevention, harm reduction, treatment, recovery and public safety initiatives. Prince George's County is one of 58 Maryland subdivisions participating in the national opioid settlements.

Property Management Services Special Revenue Fund

This fund accounts for receipts and costs from the disposition of surplus real property by the County. This fund is located in the Office of Central Services.

Transportation Services Improvement Special Revenue Fund

The Transportation Services Improvement Fund was created in 2015 with the enactment of CB-72-2015. Additional provisions pertaining to this fund were enacted under CR-75-2018. The fund was established to improve the delivery of bus service and accessible transportation services in the County. All revenues to the fund are generated through a $0.25 per-trip surcharge on certain transportation network services originating in the County. The fund's additional purposes include satisfying connectivity to bus transit service through bikeshare; enhancing and expanding the provision of readily available, quality, accessible taxi service; ensuring compliance with applicable taxi legislation; and any other purposes permitted by Section 20A-212 of the County Code. This fund is administered by the Department of Public Work and Transportation.

Grant Program Funds

The County receives a variety of funds from State, federal and foundation grants. These grants are awarded to the County to support a range of programs and services. For agencies that utilize and/or administer grant programs, the funding levels, expenditures and staffing are explained, detailed and accounted for in their respective agency budget pages.

BUDGETARY BASIS

The modified accrual basis of accounting is followed in the general, special revenue, debt service, capital projects, expendable trust and agency funds. Under this method of accounting, revenues are recognized in the accounting period in which they become available and measurable (i.e., the funds are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period). Taxes, uses of money and property, charges for services, intergovernmental and miscellaneous revenue are recognized when earned, with the exception of interest and penalties on property tax payments which are recognized when cash is received. With respect to property tax revenue, the County defines "available" to mean collectible within sixty days after the fiscal year's end. Expenditures are recorded as liabilities when incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

The accrual basis of accounting is followed in the enterprise, internal service and pension trust funds. Under this method of accounting, revenue is recognized when earned, and expenses are recorded as liabilities when incurred, without regard to receipt or payment of cash.

The account that serves the function of the owner's equity account in a profit-making organization is called the "fund balance" in government entities. An available balance in this account is the cumulative result of actual revenues exceeding expenditures. The fund balance for the General Fund can either be designated for future years (e.g., as a contingency reserve or for a subsequent year's expenditure) or it can remain undesignated. Audited or final fund balances are not known until about five months after the end of the fiscal year.

While the above definition of "fund balance" is used for the ending balances shown in the General Fund and special revenue funds, somewhat different definitions are used in connection with internal service and enterprise funds. The ending balance for an internal service fund corresponds to net assets. On the other hand, the ending balance shown for an enterprise fund corresponds to the sum of available cash and cash equivalents. The ending balance takes into account net operating revenues and expenditures and increases based on bond proceeds, offset by capital expenditures and by funds that must be held in reserve for future obligations.

Unless otherwise noted, the budgetary basis is used in this document when referring to the fund balance for the General Fund. Although the budgetary basis is clear, convenient and widely used, it differs somewhat from the fund balance computed according to GAAP. The budgetary basis differs from GAAP by excluding encumbrances, inventories and designated expenditures for non-general fund purposes (e.g., certain equipment expenditures). In particular, the budgetary basis treats reserves for encumbrances that have not yet materialized by June 30 as expenses; instead GAAP illustrates this as a reservation of fund balance. Inventories are booked as an asset on the balance sheet and a reservation of fund balance under GAAP; they are reflected as an expense at the time of purchase under the budgetary basis. Under GAAP, certain purchase agreements for acquiring equipment are recorded as restricted assets. Related proceeds are shown as another financing source with a reservation for future years on the balance sheet. Under the budgetary basis, annual payments to retire leases are shown as an expense to the General Fund, and the proceeds are not counted as revenue.

SEMI-AUTONOMOUS AGENCIES

Agencies whose operating budgets are approved directly by the County Executive and adopted by the County Council are included in this document. There are several semi-autonomous agencies whose operating budgets are not included in the County budget document. Certain semi-autonomous agencies also are not included in the County's CIP. The accompanying table lists the semi-autonomous agencies and indicates whose budgets are not included in the County's budget documents.

The Maryland National Capital Park and Planning Commission (M-NCPPC), the Washington Suburban Sanitary Commission (WSSC) and the Washington Suburban Transit Commission - Washington Metropolitan Area Transit Authority (WSTC-WMATA) do not receive any of their funding from County General Fund revenues and prepare separate operating budget documents. Their operating budgets are not included in the County budget, nor are the WSSC's or WSTC-

WMATA's capital budget included in the County CIP. However, the County Executive reviews and makes recommendations to the County Council on each of the budgets approved by these agencies. The Council must then approve these budgets (or the portions affecting Prince George's County).

The Board of Education, Memorial Library and Community College are all financed at least in part from County General Fund revenues, and their operating and capital budgets are included in the County's budget. In addition, the Board of Education prepares a separate operating budget document that describes the Board's spending plan in detail.

Semi-Autonomous Agency	Receives General Fund Revenue	Operating Included in County Document	Prepares Separate Budget Document
WSTC-WMATA*	No	No	Yes
Board of Education	Yes	Yes	Yes
Community College	Yes	Yes	No
Library	Yes	Yes	No
M-NCPPC	No	No	Yes
WSSC*	No	No	Yes
Redevelopment Authority	Yes	Yes	No
Housing Authority	No	Yes	Yes
Revenue Authority	No	Yes	Yes

*Also prepares separate capital budget document.

COUNTY GOVERNMENT ORGANIZATION

Prince George's County operates under a "home rule" charter which was adopted in November 1970. Under the Charter, the County is composed of an executive and a legislative branch. The judicial branch is established by the Constitution and laws of the State of Maryland.

Executive Branch

The Executive Branch enforces the laws and administers the day-to-day business of the County. It consists of a County Executive (elected by the qualified voters of the entire County) and all other officers, agents and employees under the County Executive's supervision and authority, including the Chief Administrative Officer who is responsible for the day-to-day administration of the County. Deputy Chief Administrative Officers (DCAOs) report to the Chief Administrative Officer and are assigned functional responsibilities for groups of agencies. The DCAOs are not shown on the organizational chart to avoid complicating the presentation.

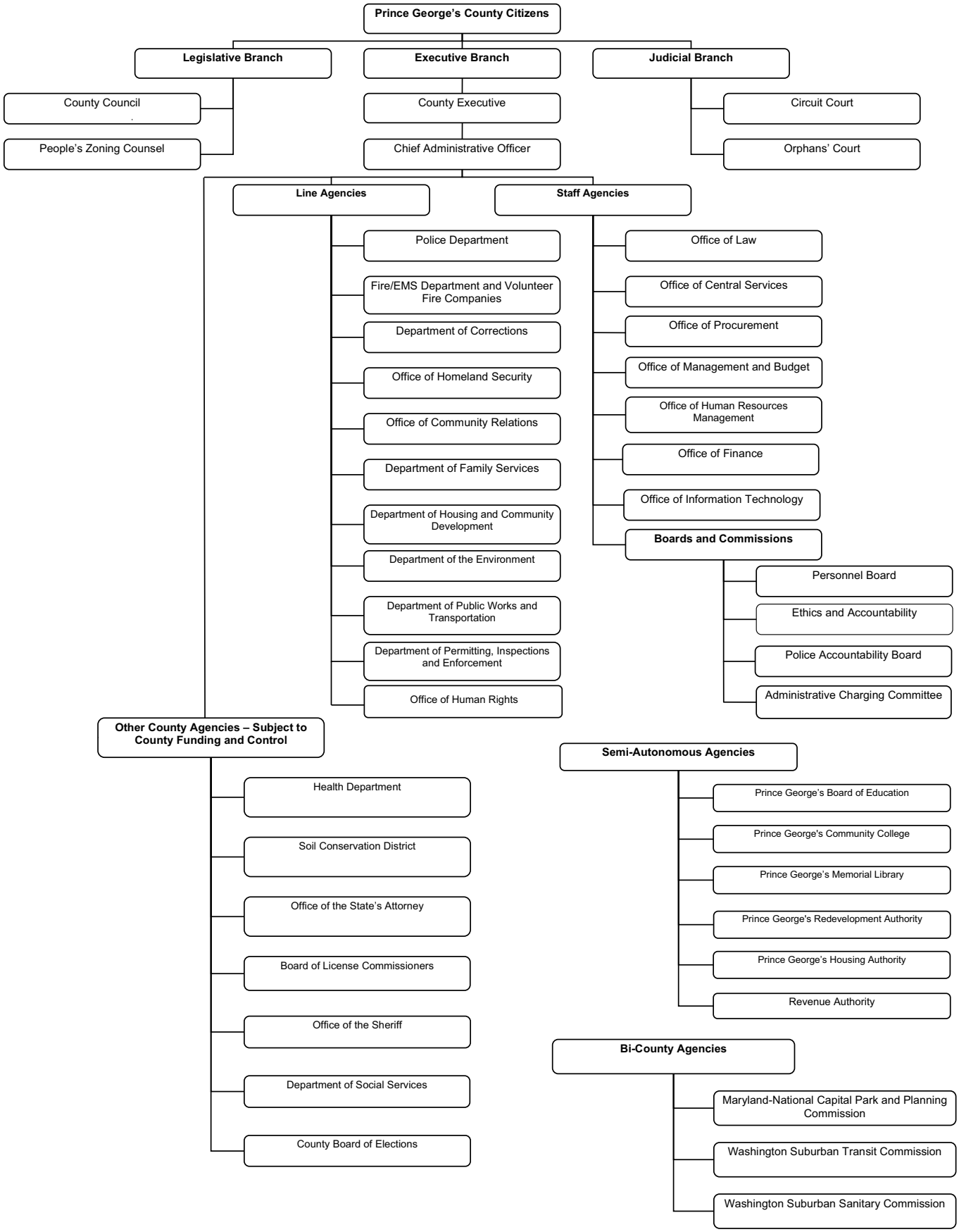
Legislative Branch

The Legislative Branch of the County currently consists of an 11-member County Council (elected by Councilmanic District and two council member at-large seats) and its staff. The Charter limits the County Executive and the members of the County Council to two consecutive four-year terms in office.

Judicial Branch

The Judicial Branch of government at the local level consists of the Circuit Court and the Orphans' Court (which oversees the probate of decedents' estates, as well as the appointment and supervision of guardians for minors).

In Prince George's County, the County Executive and the County Council propose and approve the operating budgets of the Circuit and Orphans' courts. (However, the State provides funding for the Circuit Court judges, their law clerks, the Clerk of the Court and certain other Circuit Court expenses). The District Court is a State entity funded entirely by the State of Maryland.


Prince George's County Citizens
Legislative Branch
Executive Branch
Judicial Branch
County Council
People's Zoning Counsel
County Executive
Chief Administrative Officer
Circuit Court
Orphans' Court
Line Agencies
Staff Agencies
Police Department
Fire/EMS Department and Volunteer Fire Companies
Department of Corrections
Office of Homeland Security
Office of Community Relations
Department of Family Services
Department of Housing and Community Development
Department of the Environment
Department of Public Works and Transportation
Department of Permitting, Inspections and Enforcement
Office of Human Rights
Office of Law
Office of Central Services
Office of Procurement
Office of Management and Budget
Office of Human Resources Management
Office of Finance
Office of Information Technology
Boards and Commissions
Personnel Board
Ethics and Accountability
Police Accountability Board
Administrative Charging Committee
Other County Agencies – Subject to County Funding and Control
Health Department
Soil Conservation District
Office of the State's Attorney
Board of License Commissioners
Office of the Sheriff
Department of Social Services
County Board of Elections
Semi-Autonomous Agencies
Prince George's Board of Education
Prince George's Community College
Prince George's Memorial Library
Prince George's Redevelopment Authority
Prince George's Housing Authority
Revenue Authority
Bi-County Agencies
Maryland-National Capital Park and Planning Commission
Washington Suburban Transit Commission
Washington Suburban Sanitary Commission

THE BUDGET PROCESS

The development of the operating budget involves three distinct phases: formulation of agency budget requests, executive review and proposal and County Council review and adoption. The development of the capital budget involves a slightly different process and timing. The procedures used in preparing both the operating and capital budgets are summarized below. In addition, the capital budget document contains a detailed description of the capital budgeting process.

Operating Budget Process

The operating budget is prepared over a ten-month period beginning in August and ending in May of the next calendar year.

The operating budget process is impacted by the following:

- **Spending Affordability Committee**- In 1997, a Spending Affordability Committee composed of five members was established under County legislation. This committee makes preliminary recommendations before October 1 of each year on spending affordability and ways to improve budgetary and financial procedures and policies. Final reports on these spending affordability guidelines are submitted on or before January 1 to incorporate recommendations into the budget development and review process.
- **Performance Management/CountyStat**- As part of the County's performance management system, and the leadership's commitment to data-driven decisions to accomplish the Countywide vision, strategic planning and performance-informed budgeting has a significant role in the operating budget process. Refer to the Strategic Policies section for more information.

The sequence of events is as follows:

August-December - Formulation:

- In August of each year, the Director of the Office of Management and Budget briefs the County Executive and the Chief Administrative Officer on the financial outlook for the upcoming as well as successive fiscal years.
- At the beginning of October, the Spending Affordability Committee presents its preliminary revenue projections.
- Based on this, the Office of Management and Budget presents the County Executive with a recommendation for a preliminary budget target. The County Executive then determines the parameters for the entire County budget. The Office of Management and Budget uses this target to develop the budget instructions that are issued to agencies, usually in early October.
- In October and November, agency heads assess their needs by reviewing and evaluating their performance data, strategic plans and expenditure trends; prepare their operating budget request; and submit it to the Office of Management and Budget by the middle of November.

December-March - Executive Review and Proposal:

- The Spending Affordability Committee presents its final report at the end of December.
- Budget requests are reviewed and evaluated by the Office of Management and Budget staff during the months of December and January. Initial funding recommendations take into consideration available funding, agency performance, ability to accomplish the agency's strategic plan and Countywide vision and historical expenditures.
- Meetings are held between agencies and the Office of Management and Budget to review and discuss budget submissions.
- The County Executive holds at least one public hearing on the budget during the months of January and February.
- The County Executive meets with agency directors and the Office of Management and Budget staff to consider specific funding levels to be contained in the operating budget.
- The County Executive, CAO, and DCAO's collaboratively consider funding requests by balancing the needs of the individual agencies, the

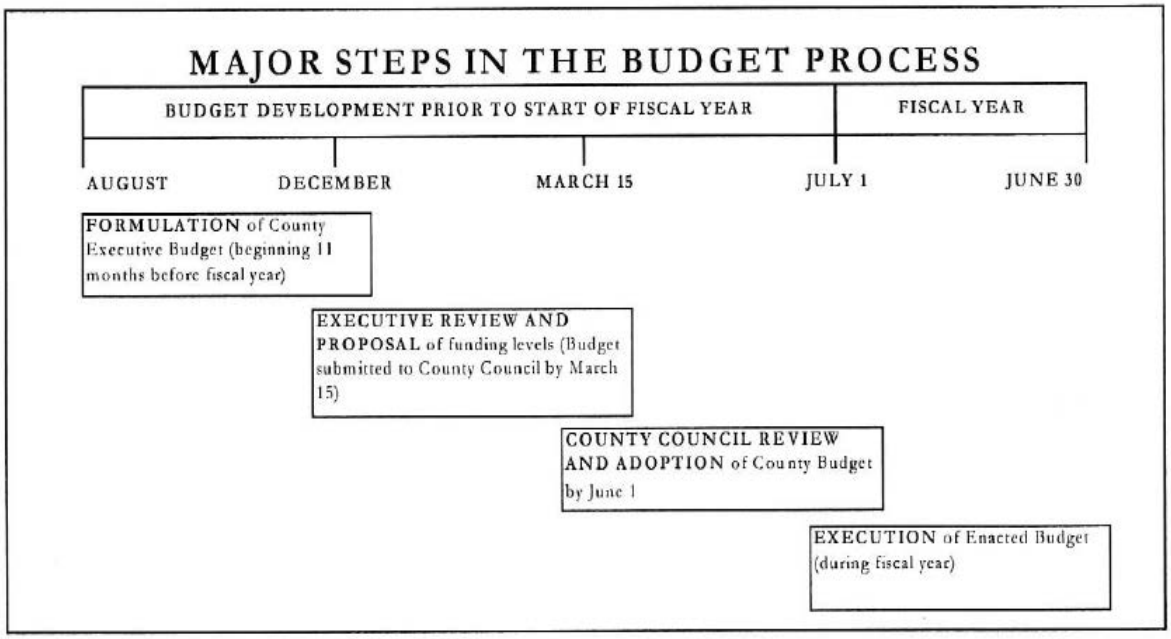
priorities of the County's Leadership team and funding decisions from previous years.

- The County Executive submits the proposed operating budget to the County Council no later than March 15th.

April-May - County Council Review and Adoption:

- County Council staff review the proposed operating budget and program with staff from the Office of Management and Budget and departmental representatives.
- The County Charter requires the County Council to hold at least two public hearings on the proposed operating budget.
- The County Council committees and staff review the proposed operating budget with the Office of Management and Budget staff and departmental representatives.
- The County Council committees complete their agency reviews by the middle of May and present their recommendations to the full County Council. The County Council must adopt the annual budget and appropriations ordinance before June 1st. The adopted ordinance is submitted to the County Executive for signature.
- The approved operating budget takes effect on July 1st, the beginning of the fiscal year.

Formulation of the approved operating budget involves a number of planning processes in addition to those described above. The financial plans presented to the New York bond rating agencies each year establish a number of guidelines important in shaping the coming year's budget. The Ten Year Water and Sewer Plan (which guides development activity within the County and is updated annually) influences several aspects of the budget. Planning for the capital budget also affects decisions on the operating budget, as described later in this section.



CAPITAL BUDGET AND PROGRAM PROCESS

The development of the Capital Budget and the six-year CIP is analogous to that of the operating budget. Three phases are included: formulation of capital budget requests, executive review and proposal and County Council review and adoption. A description of each phase follows.

August-September - Formulation:

- In August of each year, the Director of the Office of Management and Budget issues policy guidance and instructions to agencies and departments based upon the County Executive's priorities and the County's financial ability to issue new debt.
- During the month of September, agency directors assess their department's capital needs, relying upon prior planning studies and documents, functional plans, the Public Land and Facilities Inventory and the Public Facility Development Program prepared by the Maryland-National Capital Park and Planning Commission. Facility requests are programmed over the six-year capital program period, in keeping with departmental priorities and fiscal guidelines. Submissions are due to the Office of Management and Budget by October 1st of each year.

October-March - Executive Review and Proposal:

- Capital budget program requests are reviewed by the Office of Management and Budget staff between October and January. Discussions are held between agencies and the Office of Management and Budget to ensure conformance with fiscal guidelines, development studies and the County Executive's commitments.
- The Office of Management and Budget presents recommendations to the Chief Administrative Officer and the County Executive regarding the composition of the capital budget and program, reformulating agency submissions when necessary to conform to financial guidelines regarding debt issuance.
- The County Executive submits the proposed capital budget and six-year CIP to the Council no later than March 15th.

April-May - County Council Review and Adoption:

- County Council staff review the proposed capital budget and program with staff from the Office of Management and Budget and departmental representatives.
- The County Council is required to hold two public hearings on the proposed operating budget and capital budget.
- The County Council, sitting as the Committee of the Whole, completes its review of the capital budget and program by the middle of May. The County Council must adopt the annual budget and appropriations ordinance before June 1st. The adopted ordinance is submitted to the County Executive for signature.
- The approved capital budget takes effect on July 1st, the first day of the new fiscal year.

BUDGET AMENDMENT PROCESS

An agency may transfer its own funds internally from one character (spending category) to another with the approval of the County Executive. There is a $250,000 threshold for County Council approval on such agency transfers. Budget amounts cannot be transferred from one agency to another except by County Council Legislative Act (generally a resolution) upon the recommendation of the County Executive.

Grant funds, which were not included in the adopted budget, can be added to agency budgets by County Council resolution. Any other supplementary appropriations that are needed require the recommendation of the County Executive and the adoption of a Council bill, which requires the Council to hold a public hearing on the proposal. Amendments to the total appropriation of the capital budget beyond the approved amount may be made by a two-thirds affirmative vote on a Council bill.

The County Council can adjust revenue estimates by an increase or decrease of no more than 1.0%.

RELATIONSHIP BETWEEN THE CAPITAL AND OPERATING BUDGETS

The capital and operating budgets affect each other in a number of ways. The amount of debt that can be supported by the operating budget helps determine the value of the bonds that can be sold in any given fiscal year. Operating budget resources as governed by the County's revenue and by its budget stability and debt management policies, determines the level and composition of the County's capital budget. The County's debt policy contains guidelines to help the County stay within a sound fiscal framework despite year-to-year variations in the amount of resources available for debt service.

Capital budget decisions affect the operating budget in several ways. First and foremost is the amount of operating budget revenue that must be used to provide for debt service payments on any general obligation bonds sold to fund capital projects. A key element of the County's debt management policy is to restrict General Fund debt service to 8.0% or less of the County's total General Fund Operating Budget to ensure that debt service payments will not overburden operating resources. The County will continue to be well within these guidelines in the coming fiscal year.

A second potential impact of the capital budget on the operating budget is the possible appropriation of General Fund revenues for transfer to the capital fund. Although the majority of capital projects are funded through the sale of general obligation bonds, the County can fund a capital project from general fund operating revenues, generally using the County's fund balance.

The third impact the capital budget has on the operating budget is the operating and maintenance costs associated with completed facilities. The greatest operating impacts occur with a new facility, such as the opening of a new branch library. In such instances, costs relating to new professional staff, new maintenance and support staff and additional operating and utility expenses must all be included in the operating budget.

Other types of capital projects may have a relatively small impact on the operating budget. Renovations rarely increase operating costs much, if at all. Road, storm drainage and other infrastructure projects do not normally result in the need for additional costs. However, when such projects reach a critical mass, additional maintenance staff is needed and at some point in the future, resurfacing and other expensive maintenance activities will be required.

Capital expenditures can also have positive impacts on the operating budget. For instance, infrastructure maintenance funded through the capital budget can result in substantial operating budget savings. An example is the resurfacing of roads using capital budget funds which usually reduces the need for temporary repairs of potholes and other maintenance funded from the operating budget. Likewise, the renovation of an old facility will usually result in lower maintenance or operating costs for that facility.