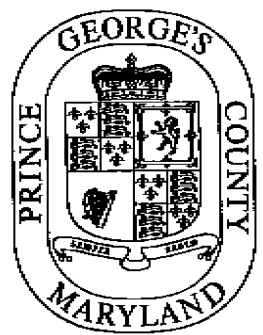


Presentation to Prince George's County Delegation

November 12, 2008



Jack B. Johnson
County Executive

Combined FY 2008 & FY 2009 Reductions

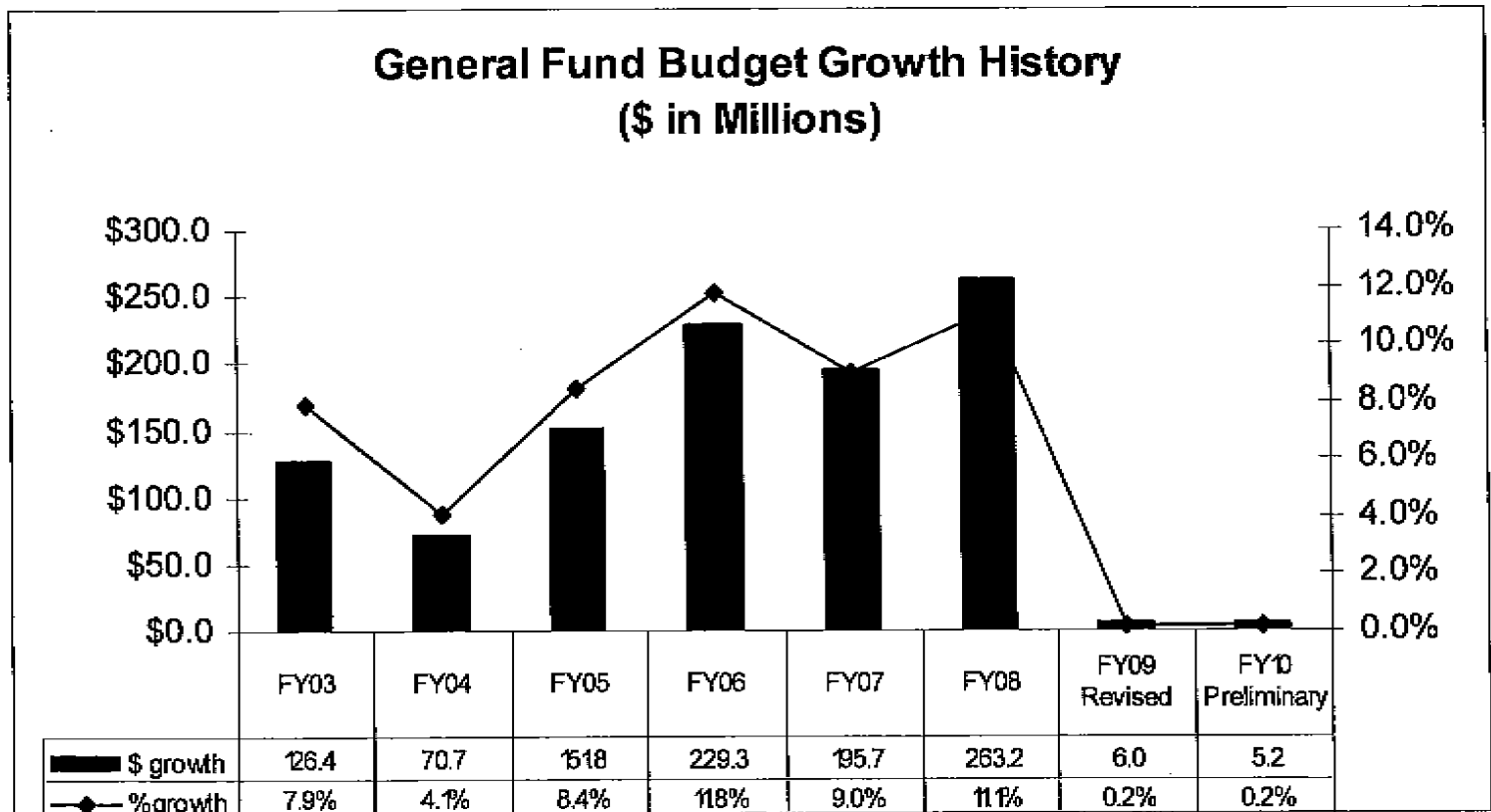
- Elimination of Senior Assistance Program (\$2,500,000)
- Reductions in contribution to African American Museum (\$1,600,000)
- 15% reductions in grants to non-profit organizations (\$425,000)
- Loss of 472,000 hours of productive time through furlough of 5,900 employees (\$20,000,000)
- Reduction of \$14 million to Board of Education budget, including hiring freeze, deferral of major programs such as K-8 programs, smaller schools, etc.(\$14,000,000)
- Reduction in purchase of library books and materials (\$243,600)
- Additional 1% reductions to all agencies-Cost Savings Incentive Plan (\$6,000,000)
- Hiring Freeze (\$10,900,000)
- Reductions in public safety overtime (\$4,163,500)
- Closing of District Police Station holding facility (\$350,000)
- Reductions in curb and gutter repair and replacement, bridge replacement program, revitalization and beautification projects (10,600,000)
- Cost shifting of 8% of employer health benefit cost to employees (\$3,500,000)
- 10% Reduction in fleet vehicles (\$453,362)
- **Total Reductions (\$74,735,462)**

Expenditure Controls

- Hiring freeze
- Cost-Savings Incentive Program
- Revisions to Purchasing card policies
- Review of all positions by Position Review Board
- Reduction in travel, supplies, printing, information technology, etc.
- Fleet reduction
- Purchasing review of all expenditures
- Increased monitoring and reporting

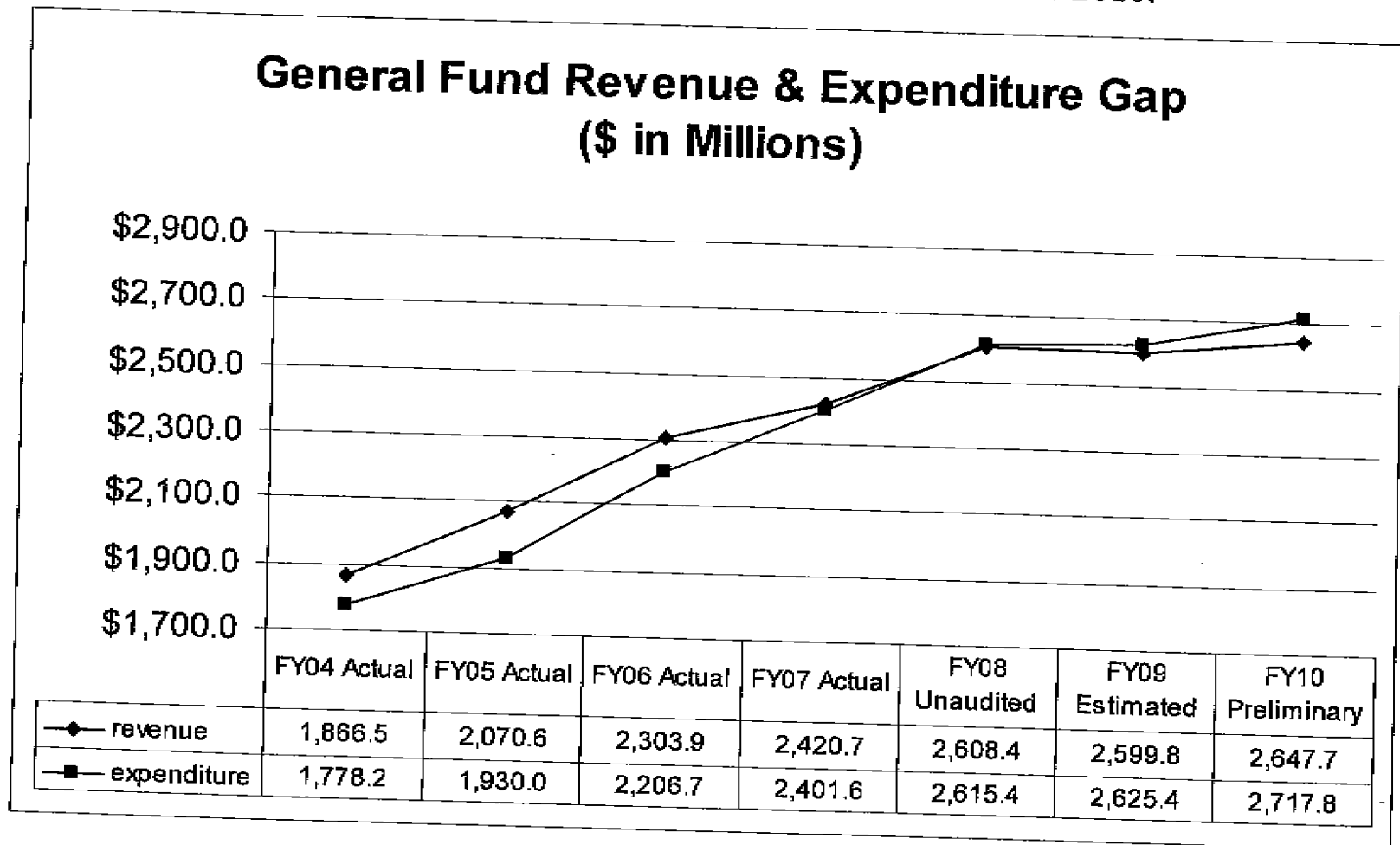
General Fund Growth in the Budget

- The rate of growth in the County budget is declining significantly due to the deterioration of the National and Regional economies.



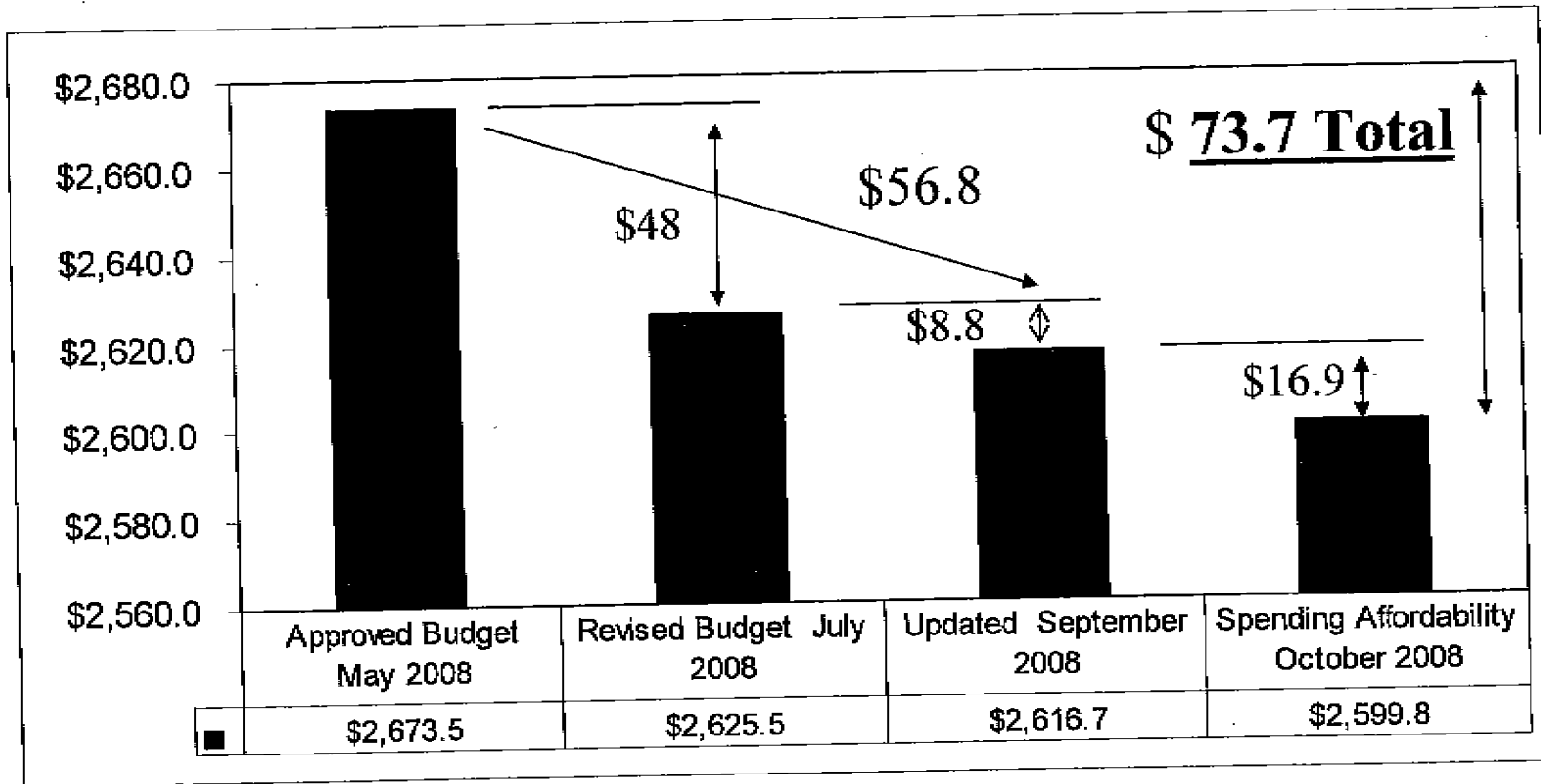
General Fund Rev and Exp – Actual \$ Amount

- Starting in FY08, expenditure growth rate has been exceeding revenue growth rate.
- A revenue/expenditure imbalance is anticipated in FY 2009 and FY 2010.



FY 2009 Revenues

(\$ in millions)



Revenue and Expenditures

	FY08	FY09	SAC FY09	SAC FY10	% Change FY10 vs. FY09 Est	% Change FY10 vs. FY09 Budget
<u>Revenues</u>	<u>Actual</u>	<u>Budget</u>	<u>Estimated</u>	<u>Projected</u>		
County Source Ongoing	1,451.4	1,507.2	1,433.5	1,494.1	4.2%	-0.9%
Outside Aid	1,120.7	1,134.9	1,134.9	1,140.6	0.5%	0.5%
Use of Fund Balance	30.2	31.4	31.4	13.0	-58.6%	-58.6%
TOTAL	2,602.3	2,673.5	2,599.8	2,647.7	1.8%	-1.0%
<u>Expenditures</u>						
Ongoing Spending	2,605.3	2,665.5	2,620.4	2,712.8	3.5%	1.8%
PAYGO	10.1	8.0	5.0	5.0	0.0%	-37.5%
TOTAL	2,615.4	2,673.5	2,625.4	2,717.8	3.5%	1.7%
Annual Surplus/(Deficit)	(13.1)	0.0	(25.6)	(70.1)		

Potential FY 2010 Impacts

(Presumes zero budget increase and no additional revenues)

- No Cost of Living Increases for county employees
- No merit (step) increases for county employees
- Deferral of capital projects—street and road projects, libraries, fire stations
- Two week furlough for virtually all county employees
- Layoff of 400-500 county employees, impacting services such as:
 - Reduced highway maintenance such as road maintenance, pothole repair
 - Closing of library facilities and/or reductions in hours of service
 - Reduced enforcement of environmental health regulations (e.g. inspection of restaurants and health facilities)
 - Reductions in staffing for building permit review and processing
 - Reductions in disease control and prevention such as HIV/AIDS, mental health services
 - Reductions in services for maternal and child health including immunizations, pre-natal care
 - Reductions in Human Relations Commission investigation of EEO complaints
 - Reduced service levels for Corrections inmate reintegration services
 - Reductions in staffing for animal control services
 - Reductions in funding levels for grants to non-profit organizations
 - Reductions in civilian support services for public safety agencies (e.g. Police, Fire)
 - Further reductions in purchase of library books and materials

2007 Special Session Impact

2007 MARYLAND SPECIAL SESSION IMPACT ON COUNTY REVENUES			
(\$ in Millions)		FY 2008	FY 2009
Income Tax Receipts	\$	(7.6)	\$ (15.3)
Electricity Deregulation Grant	\$	-	\$ (7.7)
Highway User Revenue	\$	0.5	\$ (1.0)
Outside Aid to BOE	\$	-	\$ (29.3)
TOTAL	\$	(7.1)	\$ (53.3)

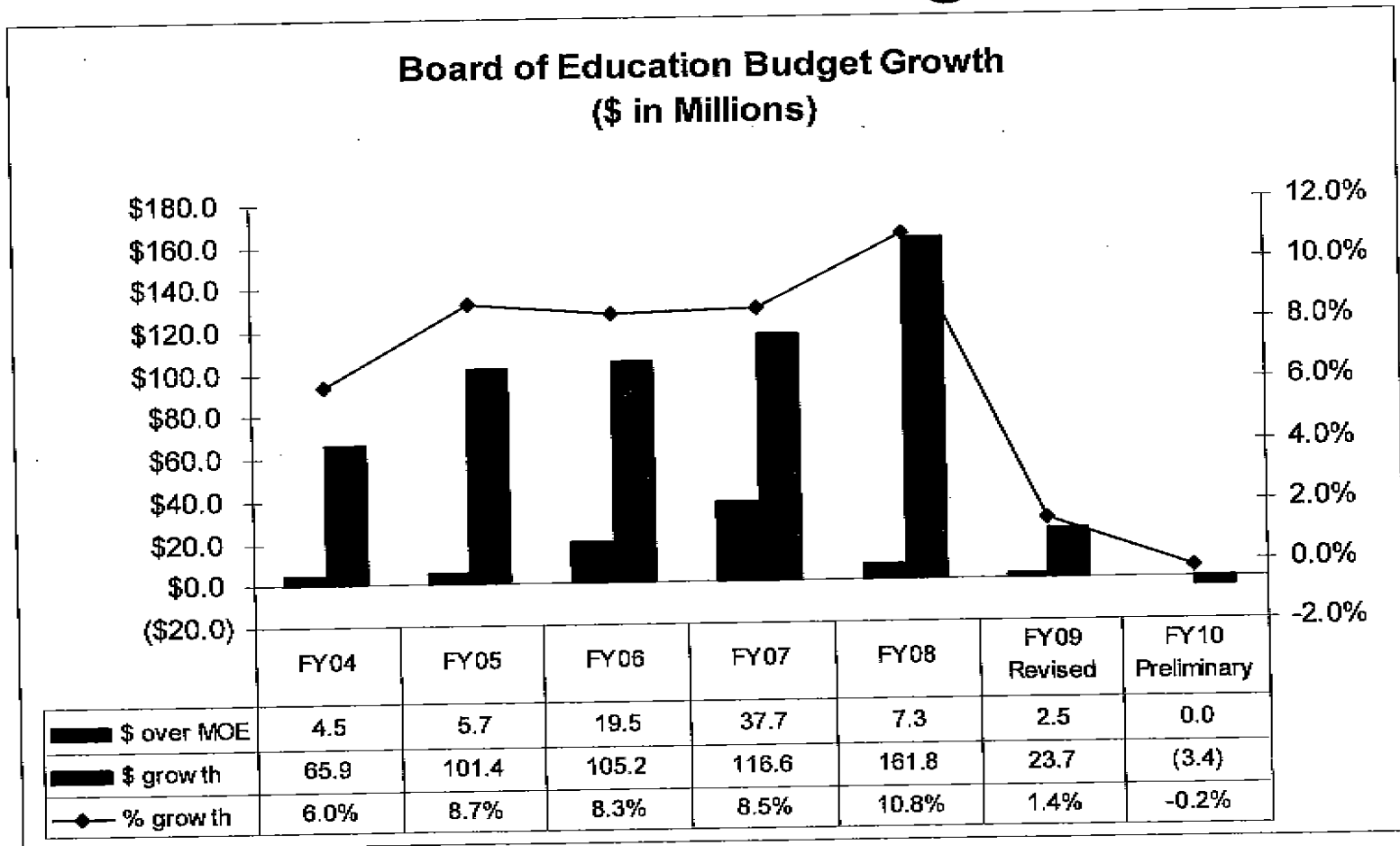
Source: Maryland Department of Legislative Services

Fund Balance

	Actual June 30 FY 2007 Balance	Estimated June 30 FY 2008 Balance	Projected June 30 FY 2009 Balance	Projected June 30 FY 2010 Balance	Statute/Policy Mandated FY 2010 Balance
GENERAL FUND					
County Policy Reserve (2%)	49.0	52.3	52.5	0.0	54.4
Charter Mandated Reserve (5%)	122.5	130.8	131.3	135.6	135.9
Undesignated Fund Balance	103.9	58.1	6.8 *	0.0	
TOTAL GENERAL FUND	275.4	241.2	190.6	135.6	

*A cushion of \$6.8 million remains in Undesignated Fund Balance out of \$2.67 billion budget, a margin of error of 0.25% of Operating Budget for unforeseen events.

Board of Education Budget Growth



• Total excess over Maintenance of Effort from FY04 to FY09 is \$77.2 million.