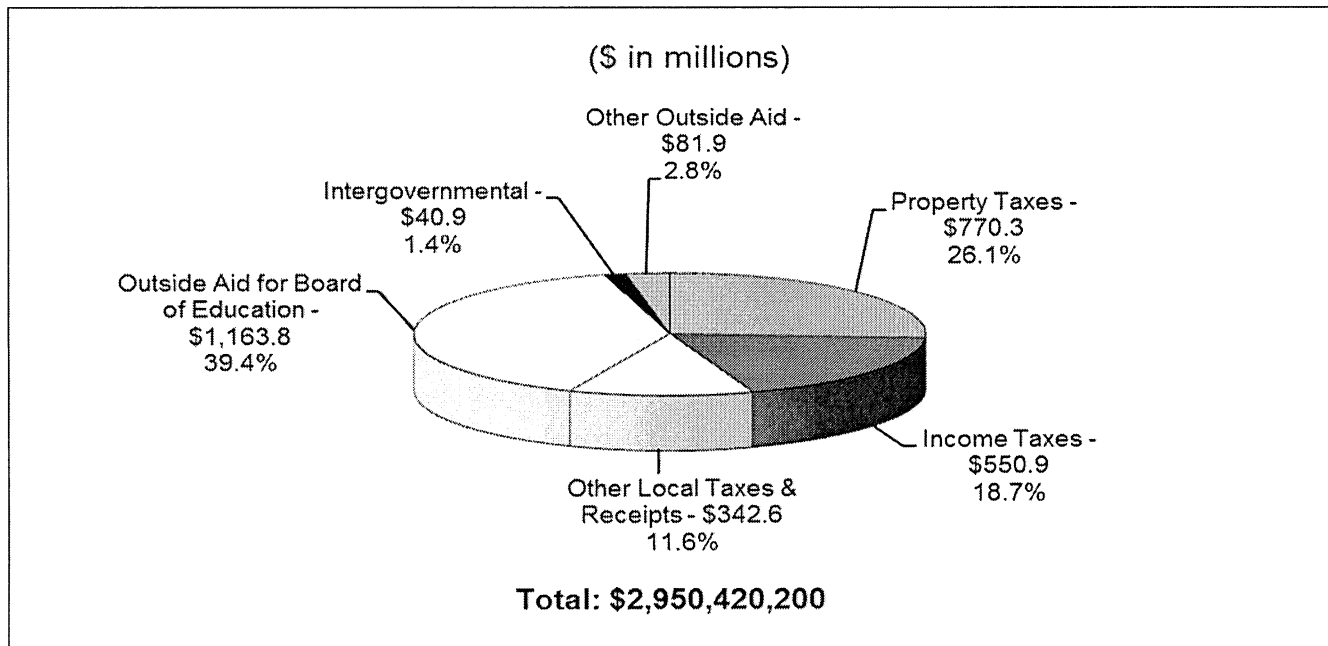


FY 2016 REVENUES AT A GLANCE

GENERAL FUND REVENUE OVERVIEW

- The approved FY 2016 General Fund budget is \$2,950,420,200, an increase of \$93.2 million or 3.3% over the FY 2015 approved budget.
- Outside aid for the Board of Education, Community College and Memorial Library decreases by \$1.9 million, or 0.2%. County source revenues increase by \$95.1 million or 5.9% from the FY 2015 approved budget.



INTERNAL SERVICE FUNDS REVENUE OVERVIEW

- The approved FY 2016 Internal Service Funds budget is \$42,480,000, a decrease of \$6.9 million or 13.9% under the FY 2015 approved budget.
- Fleet Management decreases by \$1.4 million or 9.4% due to an elimination in the use of fund balance, and Information Technology decreases by \$5.5 million or 15.9% primarily due to the elimination of one-time Institutional Network (I-Net) projects and a reduction in contracted services.

ENTERPRISE FUNDS REVENUE OVERVIEW

- The approved FY 2016 Enterprise Funds budget is \$179,319,600, an increase of \$13.6 million or 8.2% over the FY 2015 approved budget.
- Stormwater Management revenues increase by 14.6% over the FY 2015 budget due to an increase in the use of fund balance for water quality programs.
- Solid Waste revenues increase by 2.8% over the FY 2015 budget primarily due to an increase in the use of fund balance and refuse collection charges.

- A Local Watershed Protection and Restoration Fund was created in FY 2014. Total revenues are projected to reach \$17.0 million in FY 2016, an increase of \$2.4 million or 16.5% over the FY 2015 approved budget.

SPECIAL REVENUE FUNDS OVERVIEW

- The approved FY 2016 Special Revenue Funds budget is \$163,053,000, an increase of 13.9 million or 9.4% over the FY 2015 approved budget.
- Debt Service revenues increase by 11.9%. The debt incurred by the County pays for various capital projects throughout the County, such as school construction and renovations, road improvements and repairs, among other projects.
- FY 2016 is the fifth year for the County's new Economic Development fund. This fund is used to improve opportunities for businesses around the County and promote economic development.

GRANT PROGRAM FUNDS OVERVIEW

- The approved FY 2016 Grant Program Funds budget is \$201,729,100, a decrease of \$8.6 million or 4.1% under the FY 2015 approved budget.

GENERAL FUND REVENUES

INTRODUCTION

The revenue table that accompanies each revenue source compares three years of data. In every instance, the dollar and percent change is from the prior year actual or approved amount. (Numbers in this document may not add due to rounding.)

REAL PROPERTY TAXES are the taxes levied on both land and improvements of taxable real property. Taxes are levied annually and each quarter of the fiscal year as new properties are added to the base. Real Property Tax is the largest tax revenue of the County. The revenue yield is dependent on the following variables:

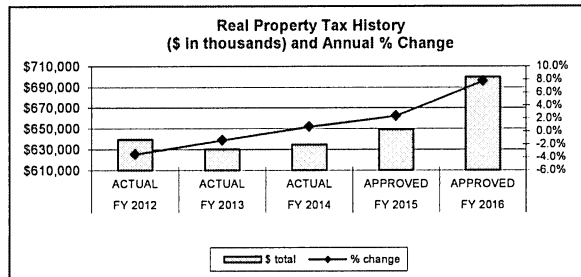
- The State's triennial assessment process
- Assessment growth caps for owner-occupied property (also called Homestead Tax Credit)
- The assessment percentage
- The housing market and the economy in general
- The tax rate - including changes in the Municipal Tax Differential rates
- Delinquencies and the required reserves
- Appeals and adjustments in assessments
- State funding of State credits

reductions due to the homestead tax credit, municipal tax differential, delinquent tax payments and incremental tax revenues from Tax Increment Financing (TIF) districts that are designated for debt service.

Based on the County Council's approval, the Real Property Tax rate increased from \$0.96 to \$1.00 per \$100 of assessable value in FY 2016. The County is subject to the Tax Reform Initiative by Marylanders (TRIM). Based on this charter provision, the General Fund County Real Property Tax rate could not exceed \$2.40 per \$100 of assessable value before FY 2002, and cannot exceed \$0.96 per \$100 of assessable value since FY 2002, when the real property assessable value was adjusted from 40% to 100% of market value. In 2012, the Maryland Senate passed Bill 848 that provides for the property tax rate to be set higher than the rate authorized under the County's charter. Any additional revenue generated as a result of the higher property tax rate is for the sole purpose of funding the approved budget of the local school board. Excluding the additional revenue assigned to the Prince George's County Public Schools (PGCPS) system, the County's real property tax revenues are projected to increase by \$22.1 million or 3.4% in FY 2016 from the FY 2015 budget.

REAL PROPERTY TAXES (\$ in thousands)				
	FY 2014 ACTUAL	FY 2015 APPROVED	FY 2015 ESTIMATED	FY 2016 APPROVED
YIELD	\$634,519	\$649,495	\$651,002	\$699,572
\$ CHG	4,181	14,976	16,483	50,077
% CHG	0.7%	2.4%	2.6%	7.7%

The State Department of Assessments and Taxation (SDAT) projected in March 2015 that the County's real property base will grow by 3.4% in FY 2016 before the homestead tax credit cap and other deductions. Net taxable base including adjustments and credits is projected to increase by 2.7% from the FY 2015 budgeted level.



Each year, one third of each County's real property base is reassessed by the SDAT. The reassessment growth is phased in over the next three years; a decrease, however, is realized immediately. The upward reassessment experienced by the County in the previous fiscal year is expected to continue in FY 2016, with Group 3 of the County's real property base's reassessment value rising by 19.5%, according to the SDAT.

In FY 2016, the County's Real Property Tax revenues are projected to be \$699.6 million, an increase of \$50.1 million or 7.7% from the FY 2015 budget. The projection is based on the tax rate, tax base and adjustments made to factor in

The County's real property tax revenue capacity is not fully realized due to the structure of the County's Homestead Tax Credit. The credit, tied to the Consumer Price Index growth for the 12

months ending in June, caps the growth of owner-occupied property assessment for tax purposes at 2% in FY 2016. According to the SDAT's estimate, this tax credit is estimated to cause a County revenue loss of approximately \$28.3 million in FY 2016.

The municipal tax differential also reduces the County's property tax revenues. Each year, the County reduces its property tax rates (both real and personal) to recognize governmental services and programs that municipal governments perform in lieu of similar County services, to the extent that such services are funded through property tax revenues. In FY 2016, County real property tax revenue is reduced by \$23.1 million for the municipal tax differential program, compared with \$22.5 million in FY 2015. FY 2016 marks the first time in the last five years of the program that the value of the credit increased year-over-year. This is due to the rise in assessable value within the municipalities and the resultant expansion of municipal services.

PERSONAL PROPERTY TAXES are the taxes levied on tangible personal property and commercial and manufacturing inventory of businesses. The assessment is made annually at fair market value and determined from annual reports filed with the SDAT.

The Personal Property Tax base is influenced by the:

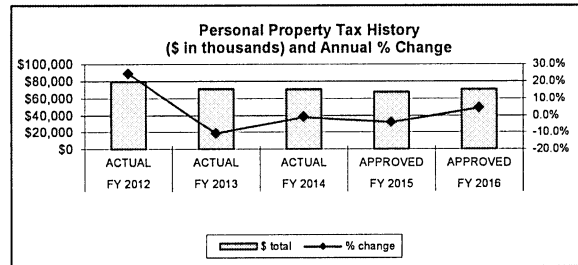
- Business cycle
- Availability of commercial credit
- Public utilities' income performance
- Replacement of equipment
- The State law on personal property assessment and depreciation
- Tax rate - including changes in the Municipal Tax Differential rates

The FY 2016 Personal Property Tax revenue is expected to increase by 4.5% from the FY 2015 budget, based on the SDAT's February 2015 projections of the assessable base. In accordance with State law, the County's Personal Property Tax rate shall be no more than 2.5 times the rate for real property. Based on the County Council's approval, the Personal Property Tax rate increased from \$2.40 to \$2.50 per \$100 of assessable value in FY 2016, to align with the approved change in the Real Property Tax rate. The additional revenue

generated as a result of the higher property tax rate is for the sole purpose of funding the approved budget of the local school board. Excluding the additional revenue assigned to the PGCPs system, the County's personal property tax revenues are projected to increase by \$0.2 million or 0.3% in FY 2016 from the FY 2015 budget.

The tax base has remained relatively flat in the past few years. Similar to real property revenue, the loss of Personal Property Tax revenues due to the municipal tax differential program increased for some years because of expanding municipal services (such as police patrol, public works, etc.) until FY 2012, when tax differential credits started to decrease.

PERSONAL PROPERTY TAXES (\$ in thousands)				
	FY 2014 ACTUAL	FY 2015 APPROVED	FY 2015 ESTIMATED	FY 2016 APPROVED
YIELD	\$70,535	\$67,730	\$67,300	\$70,767
\$ CHG	-637	-2,805	-3,235	3,037
% CHG	-0.9%	-4.0%	-4.6%	4.5%

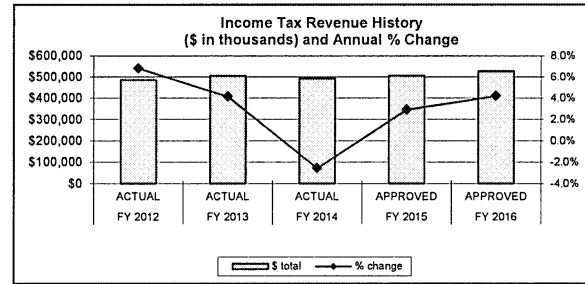


INDIVIDUAL INCOME TAXES are distributions made by the Maryland Comptroller's Office for the local tax on individual income. The State distributes the taxes to the County on a quarterly basis based on withholdings, declarations and estimated returns filed by employers and taxpayers. The State distributions are net of reserves for refunds, administrative costs, unallocated taxes (taxes for which no return has been filed) and municipal corporation shares. Municipalities receive a share of their residents' local income tax liability based on the greatest of 8.5% of the State income tax liability, 17% of the county income tax liability or 0.37% of the Maryland taxable income of municipal residents. Tax tables are usually adjusted at the beginning of the calendar year when any tax law changes take effect.

The following variables influence the annual tax yield:

- County income tax rate
- Economy
- Federal and State tax changes
- Employment growth
- Population growth
- The share to municipal governments
- Other State distribution policy changes
- Taxpayer behavior
- Capital gains realization rates
- Disparity Grant

calendar year 2013 to 6.0% in calendar year 2014, but remained relatively high historically.



INCOME TAXES (\$ in thousands)				
	FY 2014 ACTUAL	FY 2015 APPROVED	FY 2015 ESTIMATED	FY 2016 APPROVED
TAX RECEIPTS	\$492,264	\$506,558	\$515,937	\$527,812
\$ CHG	-13,002	14,293	23,673	21,254
% CHG	-2.6%	2.9%	4.8%	4.2%
DISPARITY GRANT	\$21,695	\$27,504	\$21,695	\$23,088
TOTAL YIELD	\$513,959	\$534,061	\$537,632	\$550,900
\$ CHG	-13,002	20,102	23,673	16,839
% CHG	-2.5%	3.9%	4.6%	3.2%

In FY 2016, the County is projected to receive \$23.1 million of State Income Disparity Grant, a decrease of \$4.4 million or 16.1% from the FY 2015 budget. In January 2015, the State reversed its disparity grant funding from \$27.5 million in the FY 2015 budget to the FY 2014 level of \$21.7 million. This grant is provided to counties where per capita local income tax revenue falls below 75% of the State average. The FY 2016 disparity grant is calculated by the State Department of Budget and Management based on calendar year 2013 income and population data. The improved performance is reflected in the overall growth of the County's income tax receipts that rose above the State average in tax year 2013.

The County's income tax revenue includes both income tax receipts and a State Income Disparity Grant. FY 2016 income tax receipts are projected to increase by 4.2% from the FY 2015 budget. The growth compared to the FY 2015 budget is based on a better than expected FY 2015 performance. FY 2015 income tax receipts are estimated to rise above the budgeted level, based on year-to-date performance. The increase is due to upward adjustments in the calculation formula used by the State to distribute income tax revenues and a potential improvement in the County's labor market. FY 2015 income tax projections also include estimated gains from the General Assembly's adjustments of income tax exemptions that became effective January 1, 2012. As a result, both current year receipts and the reconciliation amount for prior years are expected to increase in FY 2015 and FY 2016. Baseline income tax growth (excluding one-time impacts) in FY 2016 is expected to reach 3%, close to the historical average level, assuming a steady recovery in the local job market and regional economy.

TRANSFER TAXES are taxes imposed upon recordation of instruments conveying title to real property, or any other interest in real property. All transfer tax revenue is dedicated to the Board of Education. The tax rate is unchanged at 1.4% for FY 2016.

RECORDATION TAXES are taxes on the recordation of written instruments conveying title to real or personal property, conveying leasehold interests in real property or creating liens and encumbrances on real or personal property. In FY 2016, the recordation tax rate stays unchanged at \$2.75 per \$500 of instrument of writing subject to this tax.

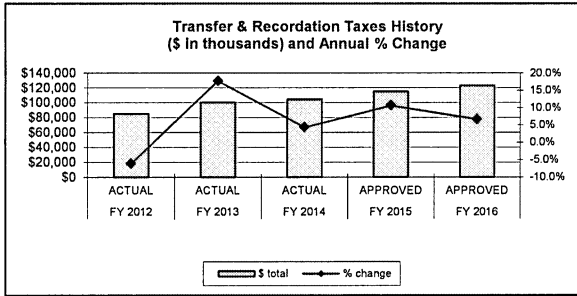
Transfer and recordation taxes are usually the most volatile major revenue source for the County due to the strong correlation between the revenue collection and the activity of the local housing market. The variables influencing Transfer and Recordation Taxes include:

According to the Maryland Department of Labor, Licensing and Regulation, the County's average unemployment rate improved from 6.8% in

- Tax rate
- Business cycle
- Interest rates

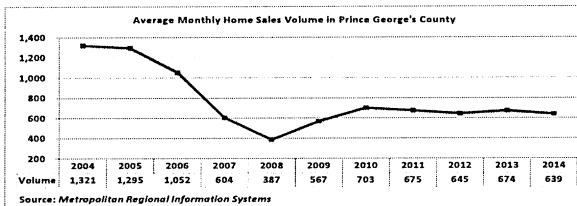
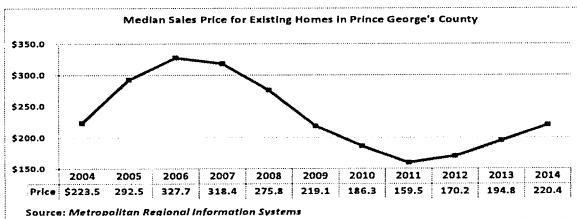
- Availability of credit
- Real estate market

TRANSFER AND RECORDATION TAXES (\$ in thousands)				
	FY 2014 ACTUAL	FY 2015 APPROVED	FY 2015 ESTIMATED	FY 2016 APPROVED
YIELD	\$104,408	\$115,448	\$116,360	\$123,038
\$ CHG	4,291	11,040	11,953	7,590
% CHG	4.3%	10.6%	11.4%	6.6%



In FY 2016, Transfer Taxes are projected to increase by 10.8% from the FY 2015 budget, as the housing market shows stable but steady improvements from previous years. Recordation Taxes are projected to decrease by 2.1%, compared to the FY 2015 budget.

Reports from the Metropolitan Regional Information Systems, Inc. indicate that the County's median home sales price in 2014 increased by 13.1% from 2013 and reached \$220,400. Sales volume decreased by 5.2% in the same period.



A total of 11,164 foreclosures occurred in calendar year 2014, an increase of 55.5% from calendar year 2013. The County accounts for the largest number of foreclosures in the State, which is believed to have contributed to the

significant decrease of home sale prices in the County in recent years. The large number of foreclosures in the judicial process and anticipated increase in mortgage rates are expected to slow but not halt the recent recovery in the County's housing market.

Prince George's County Foreclosure Trend				
	Total Foreclosure Events	Qtr/Qtr % Change	Yr/Yr % Change	% of State Total
Q1 2011	2,005	15%	-47%	42.0%
Q2 2011	1,499	-25%	-65%	33.3%
Q3 2011	892	-40%	-78%	27.4%
Q4 2011	1,035	16%	-40%	29.5%
Q1 2012	1,129	9%	-44%	27.0%
Q2 2012	1,228	9%	-18%	28.3%
Q3 2012	1,295	5%	45%	31.2%
Q4 2012	1,438	11%	39%	22.5%
Q1 2013	1,422	-1%	26%	15.2%
Q2 2013	1,522	7%	24%	13.9%
Q3 2013	2,019	33%	56%	17.4%
Q4 2013	2,215	10%	54%	17.4%
Q1 2014	3,350	51%	136%	26.6%
Q2 2014	2,278	-32%	50%	20.1%
Q3 2014	2,684	18%	33%	23.1%
Q4 2014	2,852	6%	29%	20.4%

Source: DHCD Quarterly Report

OTHER LOCAL TAXES include Energy Taxes, Telecommunications Taxes, Hotel/Motel Taxes, Admissions and Amusement Taxes, Penalties and Interest on Delinquent Taxes, and Trailer Camp Taxes.

OTHER LOCAL TAXES (\$ in thousands)				
	FY 2014 ACTUAL	FY 2015 APPROVED	FY 2015 ESTIMATED	FY 2016 APPROVED
YIELD	\$110,822	\$108,284	\$113,235	\$124,061
\$ CHG	-4,682	-2,537	2,413	15,777
% CHG	-4.1%	-2.3%	2.2%	14.6%

In FY 2016, the total revenue from Other Local Taxes is expected to increase by 14.6% from the FY 2015 budget, primarily due to increases in Energy and Telecom Tax revenues. Based on County Council's approval, the Telecom Tax rate increased from 8% to 9%, starting July 1, 2015.

The Energy Tax comprises about half of the total FY 2016 revenue in this category. This revenue is projected to increase by 16.5% in FY 2016, signaling a recovery from the FY 2015 budget level. Among the different energy tax components, two thirds of the tax receipts are from the sale of electricity and approximately

one third of the receipts are from the sale of natural gas. The Energy Tax unit rates for a certain fiscal year are determined by the total consumption and sales of the calendar year two years prior to that fiscal year. For example, the FY 2016 rates are based upon calendar year 2014 data. The formula divides total calendar year 2014 sales (by type of energy used) by total 2014 consumption, which is then multiplied by 7.5%, the current effective tax rate, to arrive at the FY 2016 unit charge per kilowatt hour, thermal, gallon or other unit. The FY 2016 rates compared to FY 2015 are shown below:

ENERGY TAX COMPONENTS			
	FY 2015 Rates	FY 2016 Rates	% Change
Electricity (KWH)	0.007790	0.008377	8%
Natural Gas (Therm)	0.059118	0.065576	11%
Fuel Oil (Gal.)	0.296302	0.275755	-7%
Propane (Gal)	0.310745	0.389477	25%

ENERGY TAXES (\$ in thousands)				
	FY 2014 ACTUAL	FY 2015 APPROVED	FY 2015 ESTIMATED	FY 2016 APPROVED
YIELD	\$55,240	\$54,414	\$58,386	\$63,394
\$ CHG	-1,348	-826	3,145	8,980
% CHG	-2.4%	-1.5%	5.7%	16.5%

Fluctuations in energy usage due to weather conditions and price instability of fuels such as natural gas and oil can cause major deviations in rates between fiscal years. Rate changes granted to the major utilities by the Public Service Commission also influence the yield from this revenue source.

The law exempts energy tax payment for Federal, State and local governments and provides a refund for certain qualifying residents based on income, age and other criteria. The entire Energy Tax is earmarked for the Board of Education.

Another major revenue item is the **Telecommunications Tax**, which represents 27.9% of the FY 2016 approved revenues generated by "Other Local Taxes." The telecommunication tax revenue has been declining for six years in a row due to the economic downturn as well as a market shift from landlines to wireless services (some of which are non-taxable). Based on the County Council's approval, the telecom tax rate in FY

2016 was increased to 9% on the gross receipts for telecommunication service in the County. The FY 2016 projection reflects an increase of \$3.1 million or 9.7% increase from the FY 2015 budget.

TELECOMMUNICATIONS TAXES (\$ in thousands)				
	FY 2014 ACTUAL	FY 2015 APPROVED	FY 2015 ESTIMATED	FY 2016 APPROVED
YIELD	\$33,914	\$31,600	\$31,570	\$34,660
\$ CHG	-3,012	-2,314	-2,344	3,060
% CHG	-8.9%	-6.8%	-6.9%	9.7%

The State mandated that the net proceeds of this tax be used only for expenditures of the County's school system. An administrative fee of one percent of collections remitted to the County is shared equally between vendors and the County to cover the cost of collecting, remitting and administering the tax.

Starting in FY 2005, the County started implementing the provisions of Chapter 187 of the 2004 Laws of Maryland (HB 589) that authorized the County to utilize up to 10% of the net proceeds from the Telecommunications Tax for school renovation and systemic replacement projects. As a result, the Telecommunications Tax revenue in the general fund does not include the up to 10% of receipts dedicated for capital budget expenditures.

Based on the County Council's approval, the **Hotel/Motel Tax** rate increased from 5% to 7%, starting July 1, 2015. In FY 2016, Hotel/Motel Taxes are expected to increase 64.7% based on the approved rate increase and better than expected FY 2015 year-to-date collections. **Admissions and Amusement Taxes** are projected to increase by 2.6% from the FY 2015 budget, due to an anticipated increase of visitors to newly installed attractions at the National Harbor. The Admissions and Amusement Tax rate will remain at 10%. Municipalities will receive 50% of the revenue received from hotels located within their corporate limits. Occupancy and average room rates are expected to increase slightly in FY 2016. The revenue impact of the National Harbor project is not factored in primarily due to the dedication of hotel/motel taxes in the Special Taxing District to fund bonds issued for infrastructure and the convention center.

STATE SHARED TAXES consist of highway user and corporate transfer taxes that are shared between the State and the County.

STATE SHARED TAXES (\$ in thousands)				
	FY 2014 ACTUAL	FY 2015 APPROVED	FY 2015 ESTIMATED	FY 2016 APPROVED
YIELD	\$4,425	\$3,560	\$3,523	\$3,993
\$ CHG	1,469	-865	-902	433
% CHG	49.7%	-19.5%	-20.4%	12.2%

State-Shared Taxes, primarily Highway User Revenue, used to be one of the major resources of the County. In FY 2009, the County received \$24.8 million in highway user revenues. Since then, this revenue source has experienced severe reductions each year, until it stabilized at \$2.6 million in FY 2013. In the approved FY 2016 budget, Highway User Revenues are projected to reach \$3.2 million, an increase of 15.4% from the FY 2015 budget, but the recovery remains low. The highway user revenues are restricted State monies and can only be used to construct or maintain roads, including payment of road debt.

LICENSES AND PERMITS include revenue derived from a number of licenses and permits issued for regulatory purposes. They include Building Permits, Street Use Permits, Business Licenses, Liquor Licenses and Permits (authorized by the State), Animal Licenses, Health Permits and various other permits.

LICENSES AND PERMITS (\$ in thousands)				
	FY 2014 ACTUAL	FY 2015 APPROVED	FY 2015 ESTIMATED	FY 2016 APPROVED
YIELD	\$21,523	\$19,728	\$21,801	\$29,462
\$ CHG	-906	-1,796	277	9,734
% CHG	-4.0%	-8.3%	1.3%	49.3%

The largest portion of these revenues is related to the building sector of the economy, and as such is subject to year-to-year changes as the amount of construction in the County varies. In FY 2016, building, grading and street use permits are projected to increase by \$8.4 million or 77.4% from the FY 2015 budget, as a result of approved fee increases.

Building permit revenues experienced strong growth during the housing market boom. In late 2006, the growth in residential building permits began to moderate. Despite signs of a recovery

in the housing market, the number of single family residential permits issued decreased by 18% in FY 2014, according to the County's Department of Permitting, Inspections, and Enforcement, indicating a slowdown in building activity.

USE OF MONEY AND PROPERTY includes revenue derived from the investment of idle County cash and the lease of certain County owned or leased properties. Most of the County's idle cash is invested in short-term vehicles in the money market. A smaller portion is for intermediate term investments.

USE OF MONEY AND PROPERTY (\$ in thousands)				
	FY 2014 ACTUAL	FY 2015 APPROVED	FY 2015 ESTIMATED	FY 2016 APPROVED
YIELD	\$5,592	\$3,699	\$2,791	\$3,792
\$ CHG	5,759	-1,893	-2,800	93
% CHG	-3456.2%	-33.8%	-50.1%	2.5%

Interest income is the largest component of this category. FY 2015 interest income is estimated to be \$1.2 million, based on better than expected FY 2014 actual and FY 2015 year-to-date performance. FY 2016 interest income is projected to increase by \$1.0 million or 80.3% above the FY 2015 budgeted level, anticipating an increase in interest rates by the Federal Reserve. The Federal Reserve raised the Federal Fund Rate 17 consecutive times from 3.25% in the middle of 2005 to 5.25% in June 2006. With the subprime mortgage crisis, the related turmoil on Wall Street and various concerns about a potential recession, the Federal Reserve started to cut the rate aggressively in September 2007. In July 2009, the Federal Reserve reduced the target rate for U.S. Federal Funds to a historically low 0.00%, which has remained at nearly 0% since.

CHARGES FOR SERVICES are typically known as user fees. These include fees from tax collection services provided to various agencies for whom the County levies taxes, animal control charges such as fines and user fees related to the County shelter and animal control services, fees and charges levied by the Health Department for health-related services, Cable Franchise Charges from Comcast Cable Communications, the 9-1-1 fee allocated to the 9-1-1 emergency system costs, emergency transportation fee, and contractual police service

fees for additional police services for events and entities.

CHARGES FOR SERVICES (\$ in thousands)				
	FY 2014 ACTUAL	FY 2015 APPROVED	FY 2015 ESTIMATED	FY 2016 APPROVED
YIELD	\$35,397	\$40,487	\$39,389	\$38,991
\$ CHG	-4,732	5,090	3,992	-1,496
% CHG	-11.8%	14.4%	11.3%	-3.7%

In FY 2016, Sheriff Charges are projected to decrease by 6.6% and Local 9-1-1 fees are projected to increase by 6.2%, from the FY 2015 budget. Other charges for services are projected to decrease by 5.4%. The relatively flat growth in Other Services Charges revenues is based on weak FY 2014 actual and FY 2015 estimated revenues. Overall, Charges for Services in FY 2016 are expected to decrease by 3.7% from the FY 2015 budget.

INTERGOVERNMENTAL REVENUES include State restricted grants, transfers and reimbursement from the Maryland-National Capital Park and Planning Commission (M-NCPPC) for service provided by the County, along with a small portion of federal monies related to emergency preparedness. In FY 2006, three State grants – anti-violence, drug and public safety – were converted from revenues to non-competitive grants by the State.

INTERGOVERNMENTAL REVENUES (\$ in thousands)				
	FY 2014 ACTUAL	FY 2015 APPROVED	FY 2015 ESTIMATED	FY 2016 APPROVED
YIELD	\$38,932	\$43,748	\$41,184	\$40,943
\$ CHG	-4,292	4,816	2,252	-2,805
% CHG	-9.9%	12.4%	5.8%	-6.4%

In FY 2016, the County will continue to receive \$9.6 million in Teacher Retirement Supplemental Grants from the State to partially offset the estimated \$36.5 million impact in the fourth year of the phased-in sharing of teachers' pension cost that started in FY 2013. The Police Aid Grant is projected to be \$10.7 million in FY 2016, a 3.5% decrease from the FY 2015 budget. Federal grants are expected to increase by 29.5% from the FY 2015 budget level. The intergovernmental revenues from the Maryland-National Capital Park and Planning Commission in FY 2016 are projected to remain unchanged from the FY 2015 budget.

Total Intergovernmental Revenue will decrease by 6.4% in FY 2016, largely due to reduced funding in the State's Health Grant and Other Local revenues (up to \$2.4 million).

MISCELLANEOUS RECEIPTS are used to encompass a number of relatively smaller County revenues. The principal sources are fines and forfeitures (primarily from red light cameras and speed cameras) and the sale of surplus County properties.

In FY 2012, the County started implementing an Automated Speed Enforcement (ASE) program to help reduce speed-related traffic accidents. The program took a phase-in approach. As of May 2015, 72 speed cameras were installed. This program is estimated to provide \$8.7 million gross revenues in FY 2015 and \$8.5 million in FY 2016, before excluding payments to vendors and administrative costs. Fines per camera have experienced a significant decrease in the past several months as road commuters have changed their behavior.

Total miscellaneous receipts are projected to decrease by \$2.4 million in FY 2016 or 14.4% from the FY 2015 budget, based on weak FY 2015 collections of fine and forfeiture revenues.

MISCELLANEOUS RECEIPTS (\$ in thousands)				
	FY 2014 ACTUAL	FY 2015 APPROVED	FY 2015 ESTIMATED	FY 2016 APPROVED
YIELD	\$16,519	\$16,612	\$14,080	\$14,223
\$ CHG	-3,483	93	-2,439	-2,388
% CHG	-17.4%	0.6%	-14.8%	-14.4%

OTHER FINANCING SOURCES include use of fund balance and transfers-in from other County funds. In FY 2016, other financing sources include a \$4.0 million transfer from the Economic Development Incentive Fund and an additional \$1.0 million transfer from the Fleet Management Fund.

OTHER FINANCING SOURCES (\$ in thousands)				
	FY 2014 ACTUAL	FY 2015 APPROVED	FY 2015 ESTIMATED	FY 2016 APPROVED
YIELD	\$8,205	\$6,795	\$6,795	\$5,032
\$ CHG	-30,294	-1,410	-1,410	-1,763
% CHG	-78.7%	-17.2%	-17.2%	-25.9%

In the FY 2015 budget, \$6.8 million was appropriated for one-time expenditures and other initiatives.

The County will maintain the Charter mandated 5% (restricted) reserve and fiscal policy required 2% (committed) reserve in FY 2015 and FY 2016.

BOARD OF EDUCATION SOURCES are expected to decrease overall by 0.1% in FY 2016 from the FY 2015 budget. State aid, which is the major source of outside aid to the Board of Education, is 4.2% higher than the FY 2015 budget. Federal aid is projected to remain flat, while the Board's own source is expected to decrease by \$43.2 million or 70.4%, primarily due to the elimination of the Board's Use of Fund Balance in the school system's proposed budget.

BOARD OF EDUCATION SOURCES (\$ in thousands)				
	FY 2014 ACTUAL	FY 2015 APPROVED	FY 2015 ESTIMATED	FY 2016 APPROVED
YIELD	\$1,048,113	\$1,165,032	\$1,165,032	\$1,163,776
\$ CHG	27,554	116,919	116,919	-1,256
% CHG	2.7%	11.2%	11.2%	-0.1%

COMMUNITY COLLEGE SOURCES are projected to decrease by \$0.7 million or 1.0% from the FY 2015 budget. The revenue mostly comes from tuition, fees, charges and formula-driven State aid. State aid for Community College is expected to increase by 0.2% in FY 2016. Tuition and fees are projected to decrease by 3.4%. The College is expected to receive \$0.7 million project charges from the M-NCPPC in FY 2016, unchanged from the FY 2015 budget. The FY 2016 budget also includes \$3.7 million use of fund balance of the College, compared to \$3.0 million in its FY 2015 budget.

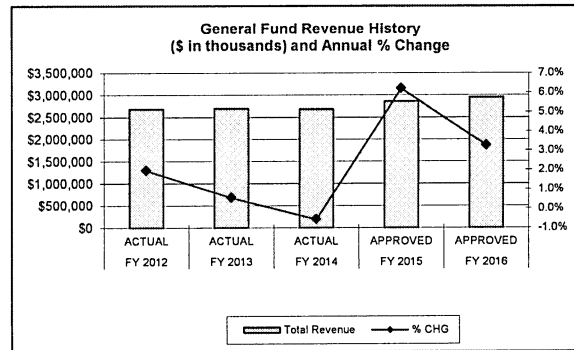
COMMUNITY COLLEGE SOURCES (\$ in thousands)				
	FY 2014 ACTUAL	FY 2015 APPROVED	FY 2015 ESTIMATED	FY 2016 APPROVED
YIELD	\$69,997	\$74,567	\$71,052	\$73,843
\$ CHG	3,022	4,570	1,055	-723
% CHG	4.5%	6.5%	1.5%	-1.0%

LIBRARY SOURCES in the FY 2016 approved budget are projected to increase by 0.6% from the FY 2015 budget of \$8.0 million.

LIBRARY SOURCES (\$ in thousands)				
	FY 2014 ACTUAL	FY 2015 APPROVED	FY 2015 ESTIMATED	FY 2016 APPROVED
YIELD	\$7,667	\$7,975	\$7,822	\$8,026
\$ CHG	128	308	154	51
% CHG	1.7%	4.0%	2.0%	0.6%

SUMMARY: In FY 2016, the County's total General Fund revenues are projected to increase by \$93.2 million or 3.3% from the FY 2015 budget. Excluding Other Financing Sources, General Fund revenues increase by \$95.0 million or 3.3% in FY 2016. The increase is primarily due to the growth in Property Tax, Income Tax Receipts, Transfer Tax, Energy Tax, Telecommunications Tax, License and Permit Revenues.

The fiscal challenges that the County has faced in recent fiscal years will continue in the upcoming fiscal year, considering weak job growth, an improving but not fully recovered real estate market, and uncertainties from the potential negative impact of budget actions at the Federal and State government levels, given their own structural imbalances.



**ASSESSABLE BASE
REAL AND PERSONAL PROPERTY**
(\$ in millions)

Location	REAL PROPERTY 2015	PERSONAL PROPERTY 2015	TOTAL BASE 2015	REAL PROPERTY 2016	PERSONAL PROPERTY 2016	TOTAL BASE 2016
Berwyn Heights	\$ 240.66	\$ 18.02	\$ 258.68	\$ 245.17	\$ 17.19	\$ 262.36
Bladensburg	375.52	15.61	391.13	389.65	16.28	405.93
Bowie	5,783.05	122.07	5,905.12	5,966.19	119.91	6,086.10
Brentwood	181.91	4.08	185.99	184.63	4.29	188.92
Capitol Heights	233.91	7.93	241.84	243.16	8.17	251.33
Cheverly	472.42	15.58	488.00	493.74	16.41	510.15
College Park	2,037.13	65.03	2,102.16	2,140.07	67.25	2,207.32
Colmar Manor	69.35	2.34	71.69	75.29	2.51	77.80
Cottage City	76.26	3.06	79.32	79.82	3.11	82.93
District Heights	289.57	5.07	294.64	305.29	5.68	310.97
Eagle Harbor	6.91	0.03	6.94	6.84	0.05	6.89
Edmonston	135.84	5.00	140.84	138.19	5.11	143.30
Fairmount Heights	81.18	1.47	82.65	87.34	1.58	88.92
Forest Heights	149.01	3.00	152.01	150.97	3.41	154.38
Glenarden	310.40	13.35	323.75	359.77	13.34	373.11
Greenbelt	1,724.67	70.10	1,794.77	1,839.39	66.16	1,905.55
Hyattsville	1,652.94	65.74	1,718.68	1,689.76	63.94	1,753.70
Landover Hills	116.16	1.91	118.07	124.44	2.27	126.71
Laurel	2,358.89	79.57	2,438.46	2,518.06	78.11	2,596.17
Morningside	75.33	2.63	77.96	80.37	2.83	83.20
Mount Rainier	324.99	4.27	329.26	333.40	4.58	337.98
New Carrollton	625.46	12.38	637.84	642.69	12.18	654.87
North Brentwood	40.16	0.87	41.03	39.42	0.93	40.35
Riverdale Park	596.00	18.45	614.45	622.75	19.01	641.76
Seat Pleasant	237.46	6.01	243.47	250.65	6.18	256.83
University Park	280.85	2.12	282.97	287.70	2.66	290.36
Upper Marlboro	<u>79.87</u>	<u>24.61</u>	<u>104.48</u>	<u>80.90</u>	<u>24.02</u>	<u>104.92</u>
SubTotal	\$ 18,555.90	\$ 570.30	\$19,126.20	\$ 19,375.65	\$ 567.16	\$19,942.81
Unincorporated Area	\$ 52,447.67	\$ 2,471.66	\$54,919.33	\$ 53,562.47	\$ 2,471.69	\$56,034.16
TOTAL COUNTY WIDE	\$ 71,003.57	\$ 3,041.96	\$74,045.53	\$ 72,938.12	\$ 3,038.85	\$75,976.97

Note: 1) Numbers may not add due to rounding.

2) Starting in FY 2002, real property in Maryland has been assessed at 100% of market value rather than 40% in most cases under prior law. Assessed value of personal property remains unchanged at 100% of market value.

3) Numbers have not factored in certain adjustments such as new construction.

Source: State Department of Assessments and Taxation

PROPERTY TAX LIMITATION FISCAL YEAR 2016

At the 1978 general election, the voters of the County adopted an amendment to Section 817, Article VIII, of the Prince George's County Charter limiting future collections of real property taxes. The amendment, which became effective in December 1978, added Section 817B to the Charter. It is generally referred to in the County as "TRIM" (TRIM is an acronym for "Tax Reform Initiative by Marylanders"). The amendment forbade the County Council to "levy a real property tax which would result in a total collection of real property taxes greater than the amount collected in FY 1979," or \$143.9 million. At the 1984 general election, an amendment to TRIM was approved by the voters of the County authorizing the County Council to levy taxes on a maximum rate of \$2.40 for each \$100 of assessed value. The County passed legislation capping taxable assessment growth in FY 1994 and future years for owner occupied residences at the lesser of the change in the Consumer Price Index (CPI) or 5% of the prior year's taxable assessment. For FY 2016, the cap is set at 2%. This limitation is a charter mandated computation passed by the voters in November 1994 and is permitted by the Tax Property Article, Section 9-105 of the Annotated Code of Maryland.

In 2000, Maryland Senate Bill 626 provided that beginning in tax year 2001, property tax rates shall be applied to 100%, instead of 40%, of the value of real property, and that the real property tax rate be adjusted to make the impact revenue neutral. The bill also stipulated that any limit on a local real property tax rate in a local law or charter provision shall be constructed to mean a rate equal to 40% times the rate stated in the local law or charter provision. As a result, nominal real property rate of the County was adjusted to \$0.96/\$100 of assessed value in FY 2002. In 2012, Maryland Senate Bill 848 provided, under certain circumstances, for the property tax rate to be set higher than the rate authorized under the County's charter. Additional revenue as a result of the increase in the property tax rate is for the sole purpose of funding the approved budget of the local school board. The Approved FY 2016 Budget sets the County's nominal real property rate at \$1.00/\$100 of assessed value.

Yield Calculation

	FY 2016 Tax Base	FY 2016 Tax Yield
REAL PROPERTY BASE JULY 1, 2015 ¹	\$72,938,139,400	
Adjustments ²	<u>\$150,000,000</u>	
TOTAL REAL PROPERTY BASE FY 2016	\$73,088,139,400	
Nominal Real Property Tax Rate/\$100	\$1.00	
REAL PROPERTY TAX YIELD		\$730,881,400
TOTAL PERSONAL PROPERTY BASE FY 2016	\$3,038,844,000	
Nominal Personal Property Tax Rate/\$100	\$2.50	
PERSONAL PROPERTY TAX YIELD		<u>\$75,971,100</u>
TOTAL PROPERTY TAX YIELD (Unadjusted)		\$806,852,500
Less: Collection Allowance		(\$13,242,300)
Municipal Tax Differential		(24,702,400)
Other Adjustments ³		<u>1,431,800</u>
TOTAL GENERAL FUND PROPERTY TAX YIELD		\$770,339,600
Total County Real Property Nominal Tax Rate/\$100	\$1.00	
Total County Personal Property Nominal Tax Rate/\$100	\$2.50	

¹ Estimates based on reports from the State Department of Assessments and Taxation (as of March, 2015). Adjustments for abatements/credits and a 2% cap on reassessment growth are included.

² Adjustments include new construction projected and other development-related changes

³ Other Adjustments include regular and one-time adjustments.

CONSTANT YIELD DATA

The real property tax rates for municipalities and the unincorporated area of the County are detailed below, along with the constant yield tax rates as certified by the State Department of Assessments and Taxation. In accordance with Title 6, Subtitle 6-308 of the Tax-Property Article of the Annotated Code of Maryland, a rate which exceeds the constant yield rate is subject to certain advertising and public hearing requirements. Per Chapter 80, Acts of 2000 (Senate Bill 626), the real property tax rate was adjusted to reflect the conversion to full value assessments of real property, effective October 1, 2000. Starting from February 2001, personal property has been excluded from the constant yield tax rate as reported by the State Department of Assessments and Taxation. The personal property tax rate shall be no more than 2.5 times the rate on real property.

LOCATION	APPROVED 2015			APPROVED 2016		
	TAX RATE	CONSTANT YIELD		TAX RATE	CONSTANT YIELD	
		TAX RATE	OVER (UNDER)		TAX RATE	OVER (UNDER)
Berwyn Heights	\$ 0.8330	\$ 0.8065	\$ 0.0265	\$ 0.8760	\$ 0.8233	\$ 0.0527
Bladensburg	0.8500	0.8194	0.0306	0.8930	0.8181	0.0749
Bowie	0.8300	0.8056	0.0244	0.8720	0.8118	0.0602
Brentwood	0.8780	0.8643	0.0137	0.9270	0.8649	0.0621
Capitol Heights	0.8400	0.8238	0.0162	0.8850	0.8087	0.0763
Cheverly	0.8380	0.7963	0.0417	0.8800	0.8072	0.0728
College Park	0.9290	0.9216	0.0074	0.9690	0.9293	0.0397
Colmar Manor	0.8610	0.8500	0.0110	0.9070	0.7991	0.1079
Cottage City	0.8510	0.8436	0.0074	0.8980	0.8066	0.0914
District Heights	0.8350	0.8225	0.0125	0.8790	0.7917	0.0873
Eagle Harbor	0.9560	0.9733	(0.0173)	0.9940	0.9466	0.0474
Edmonston	0.8480	0.8258	0.0222	0.8980	0.8390	0.0590
Fairmount Heights	0.9010	0.8836	0.0174	0.9450	0.8529	0.0921
Forest Heights	0.8680	0.8728	(0.0048)	0.9090	0.8602	0.0488
Glenarden	0.8510	0.8192	0.0318	0.8890	0.8389	0.0501
Greenbelt	0.8190	0.7871	0.0319	0.8610	0.7854	0.0756
Hyattsville	0.8230	0.7997	0.0233	0.8660	0.8212	0.0448
Landover Hills	0.8380	0.8118	0.0262	0.8870	0.7882	0.0988
Laurel	0.7960	0.7974	(0.0014)	0.8370	0.7847	0.0523
Morningside	0.8820	0.8639	0.0181	0.9290	0.8248	0.1042
Mount Rainier	0.8250	0.7899	0.0351	0.8680	0.8126	0.0554
New Carrollton	0.8450	0.8168	0.0282	0.8840	0.8108	0.0732
North Brentwood	0.9560	0.9286	0.0274	0.9960	0.9361	0.0599
Riverdale Park	0.8220	0.7992	0.0228	0.8670	0.8118	0.0552
Seat Pleasant	0.8320	0.8116	0.0204	0.8760	0.7864	0.0896
University Park	0.8340	0.7958	0.0382	0.8770	0.8205	0.0565
Upper Marlboro	0.8620	0.9073	(0.0453)	0.9180	0.8567	0.0613
Unincorporated Area	\$ 0.9600	\$ 0.9500	\$ 0.0100	\$ 1.0000	\$ 0.9490	\$ 0.0510

FY 2016 Allocated General Fund Revenues

Some County revenues are allocated to cover some or all costs of specific services. Listed below are the allocated General Fund revenues.

<u>Agency/Department</u>	<u>Revenue Description</u>	<u>FY 2014 Budget</u>	<u>FY 2015 Budget</u>	<u>FY 2016 Approved</u>
County Council	Zoning Fees - Board of Appeals	\$ 25,000	\$ 25,000	\$ 31,100
	Total County Council	\$ 25,000	\$ 25,000	\$ 31,100
Office of Homeland Security	911 Fees	\$ 6,265,400	\$ 6,142,400	\$ 6,520,500
	Federal Office of Emergency Preparedness Grant	100,000	-	-
	Total Office of Homeland Security	\$ 6,365,400	\$ 6,142,400	\$ 6,520,500
Board of License Commissioners	Liquor Licenses	\$ 1,428,000	\$ 1,759,900	\$ 1,832,400
	Total Board of License Commissioners	\$ 1,428,000	\$ 1,759,900	\$ 1,832,400
Board of Elections	Sale of Voter Material	\$ 11,200	\$ 11,000	\$ 11,000
	Total Board of Elections	\$ 11,200	\$ 11,000	\$ 11,000
Office of Central Services	Property Rental	\$ 2,242,000	\$ 2,000,000	\$ 1,000,000
	Leased Space (M-NCPPC)	795,100	799,200	799,200
	Total Central Services	\$ 3,037,100	\$ 2,799,200	\$ 1,799,200
Circuit Court	Bail Bondsman	\$ 613,100	\$ 700,000	\$ 662,300
	Circuit Court Marriage Certificate	45,000	45,000	31,600
	Jury Fees Reimbursement	710,000	700,000	769,900
	Court Appearance Fees	168,000	180,000	206,200
	Miscellaneous	15,000	22,000	22,000
	Total Circuit Court	\$ 1,551,100	\$ 1,647,000	\$ 1,692,000
Office of the Sheriff	Circuit Court & District Court	\$ 340,800	\$ 505,800	\$ 405,000
	Evictions Revenue	2,657,500	1,700,000	2,342,000
	Miscellaneous Fees	170,000	750,000	15,000
	Total Sheriff	\$ 3,168,300	\$ 2,955,800	\$ 2,762,000
Department of Permitting, Inspections, and Enforcement	Building and Grading Permits	\$ 7,891,300	\$ 7,674,200	\$ 12,893,700
	Business Licenses (Apt., SF & MF Rental)	1,250,800	2,550,000	3,460,000
	Street Use Permits	3,099,800	3,164,800	6,329,600
	Business Licenses (Other)	943,200	839,300	839,300
	Water and Sewer Planning Unit (M-NCPPC)	155,300	155,300	155,300
	Zoning Enforcement (M-NCPPC)	1,761,900	1,761,900	1,761,900
	Permits/Inspection (M-NCPPC)	1,816,200	1,816,200	1,816,200
	Office of Engineering, Inspection and Permitting (M-NCPPC)	1,160,000	929,800	929,800
	Total Permitting, Inspections, and Enforcement	\$ 18,078,500	\$ 18,891,500	\$ 28,185,800
Department of Public Works and Transportation	Office of the Director (M-NCPPC)	\$ 169,800	\$ -	\$ -
	Total Public Works	\$ 169,800	\$ -	\$ -
Department of the Environment	Animal Licenses	\$ 112,000	\$ 125,000	\$ 120,000
	Total Environment	\$ 112,000	\$ 125,000	\$ 120,000

<u>Agency/Department</u>	<u>Revenue Description</u>	<u>FY 2014 Budget</u>	<u>FY 2015 Budget</u>	<u>FY 2016 Approved</u>
Police Department	State Police Aid Grant	\$ 11,107,200	\$ 11,124,300	\$ 10,736,400
	Contractual Police Services	1,800,000	1,850,000	1,540,000
	Speed Cameras	7,000,000	6,566,700	6,210,700
	Bureau of Patrol (M-NCPPC)	36,800	36,800	36,800
	Total Police	\$ 19,944,000	\$ 19,577,800	\$ 18,523,900
Fire/EMS Department	Contractual Fire Services	\$ 400,000	\$ 400,000	\$ 400,000
	Fees for Emergency Transportation & Related Services (General)	5,926,200	6,276,900	5,645,805
	Fees for Emergency Transportation & Related Services (Volunteer)	3,378,800	3,578,400	3,220,095
	Speed Cameras	2,600,000	2,428,800	2,297,100
	Miscellaneous Sales	5,000	5,000	5,000
	Total Fire	\$ 12,310,000	\$ 12,689,100	\$ 11,568,000
Health Department	State Health Grant	\$ 5,377,500	\$ 6,297,000	\$ 6,131,000
	Health Permits	1,567,800	1,561,000	2,100,000
	Health Fees	945,500	1,100,000	1,200,000
	Total Health	\$ 7,890,800	\$ 8,958,000	\$ 9,431,000
Department of Housing and Community Development	Redevelopment Division (M-NCPPC)	\$ 844,500	\$ 844,500	\$ 844,500
	Total Housing and Community Development	\$ 844,500	\$ 844,500	\$ 844,500
Department of Social Services	Federal Grant	\$ 215,600	\$ 250,000	\$ 250,000
	State DHR DSS Grant	-	-	-
	Total Social Services	\$ 215,600	\$ 250,000	\$ 250,000
Office of Finance	Telecommunications Tax	\$ 187,300	\$ 170,700	\$ 277,100
	Tax Collection (M-NCPPC)	423,400	423,400	423,400
	Total Finance	\$ 610,700	\$ 594,100	\$ 700,500
Board of Education	State & Federal Aid/Board Sources	\$ 1,064,063,900	\$ 1,165,031,500	\$ 1,163,775,600
	Teacher Retirement Supplemental Grant	9,628,700	9,628,700	9,628,700
	Energy Tax	53,797,000	54,414,000	63,394,400
	Transfer Tax	70,477,000	77,692,100	86,087,400
	Telecommunications Tax	34,813,300	31,429,700	34,383,300
	Total Board of Education	\$ 1,232,779,900	\$ 1,338,196,000	\$ 1,357,269,400
Community College	State Aid/Tuition	\$ 75,479,800	\$ 74,566,600	\$ 73,843,300
	Recreational Activities (M-NCPPC)	1,500,000	700,000	700,000
	Total Community College	\$ 76,979,800	\$ 75,266,600	\$ 74,543,300
Memorial Library	State Aid/Fines	\$ 8,419,400	\$ 7,975,400	\$ 8,026,300
	Recreation Programs (M-NCPPC)	2,712,800	2,712,800	2,712,800
	Total Library	\$ 11,132,200	\$ 10,688,200	\$ 10,739,100
Non-Departmental	Tree Planting (M-NCPPC)	\$ 225,000	\$ 225,000	\$ 225,000
	Total Non-Departmental	\$ 225,000	\$ 225,000	\$ 225,000
Sub-total		\$ 1,396,878,900	\$ 1,501,646,100	\$ 1,527,048,700
Debt	Highway User Revenues	\$ 2,769,300	\$ 2,810,100	\$ 3,243,000
	Total Debt	\$ 2,769,300	\$ 2,810,100	\$ 3,243,000
Total		\$ 1,399,648,200	\$ 1,504,456,200	\$ 1,530,291,700

Notes:

Highway user revenue is mainly used to retire debt on County General Obligation (GO) Bonds and State Participation Bonds, and fund regular road maintenance projects.

Revenue items in Allocated Revenues do not match revenues in Revenue Summary, which shows revenue groups instead of individual revenue accounts.

CONSOLIDATED GRANT PROGRAM SUMMARY

PROGRAM NAME	FEDERAL CASH	STATE CASH	OTHER CASH	TOTAL OUTSIDE SOURCES	COUNTY CASH	TOTAL PROGRAM SPENDING*
<u>GENERAL GOVERNMENT</u>						
OFFICE OF COMMUNITY RELATIONS FY 2016 TOTALS	\$ 52,000	\$ 93,200	\$ -	\$ 145,200	\$ -	\$ 145,200
<u>COURTS</u>						
CIRCUIT COURT FY 2016 TOTALS	\$ -	\$ 2,448,900	\$ -	\$ 2,448,900	\$ 281,900	\$ 2,730,800
<u>PUBLIC SAFETY</u>						
OFFICE OF THE STATE'S ATTORNEY FY 2016 TOTALS	\$ -	\$ 2,196,900	\$ -	\$ 2,196,900	\$ -	\$ 2,196,900
POLICE DEPARTMENT FY 2016 TOTALS	\$ 1,166,600	\$ 3,006,800	\$ -	\$ 4,173,400	\$ 20,000	\$ 4,193,400
FIRE/EMS DEPARTMENT FY 2016 TOTALS	\$ 6,247,600	\$ 1,575,200	\$ -	\$ 7,174,200	\$ 25,000	\$ 7,199,200
OFFICE OF THE SHERIFF FY 2016 TOTALS	\$ 3,683,400	\$ 739,100	\$ -	\$ 4,422,500	\$ 913,600	\$ 5,336,100
DEPARTMENT OF CORRECTIONS FY 2016 TOTALS	\$ 380,200	\$ 100,000	\$ 162,800	\$ 643,000	\$ -	\$ 643,000
OFFICE OF HOMELAND SECURITY FY 2016 TOTALS	\$ 2,253,800	\$ 736,300	\$ -	\$ 2,990,100	\$ -	\$ 2,990,100
<u>ENVIRONMENT</u>						
DEPARTMENT OF THE ENVIRONMENT FY 2016 TOTALS	\$ -	\$ 691,800	\$ -	\$ 691,800	\$ 308,900	\$ 1,000,700
<u>HUMAN SERVICES</u>						
DEPARTMENT OF FAMILY SERVICES FY 2016 TOTALS	\$ 3,731,300	\$ 6,065,200	\$ 251,300	\$ 10,047,800	\$ 384,200	\$ 10,432,000
HEALTH DEPARTMENT FY 2016 TOTALS	\$ 29,653,900	\$ 23,053,900	\$ 1,877,200	\$ 54,585,000	\$ 216,400	\$ 54,801,400
DEPARTMENT OF SOCIAL SERVICES FY 2016 TOTALS	\$ 13,454,100	\$ 2,084,100	\$ 2,542,000	\$ 18,080,200	\$ -	\$ 18,080,200
<u>INFRASTRUCTURE AND DEVELOPMENT</u>						
DEPARTMENT OF PUBLIC WORKS & TRANSPORTATION FY 2016 TOTALS	\$ 271,000	\$ 601,900	\$ -	\$ 872,900	\$ 17,100	\$ 890,000
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FY 2016 TOTALS	\$ 86,371,700	\$ -	\$ 1,885,500	\$ 88,257,200	\$ -	\$ 88,257,200
NON-DEPARTMENTAL FY 2016 TOTALS	\$ -	\$ -	\$ 5,000,000	\$ 5,000,000	\$ -	\$ 5,000,000
TOTAL FY 2016 GRANTS	\$ 147,265,600	\$ 43,393,300	\$ 11,718,800	\$ 201,729,100	\$ 2,167,100	\$ 203,896,200

*Total Program Spending is the total of County Cash and Total Outside Sources.

EDUCATION REVENUE DETAIL

	FY 2014 Actual	FY 2015 Budget	FY 2015 Estimated	FY 2016 Approved	Change FY15 - FY16
BOARD OF EDUCATION					
Federal Sources					
Unrestricted Federal Aid	\$ 146,750	\$ 136,700	\$ 136,700	\$ 146,800	7.4%
Restricted Federal Aid	87,105,619	102,747,800	102,747,800	102,747,800	0.0%
Total Federal Sources	\$ 87,252,369	\$ 102,884,500	\$ 102,884,500	\$ 102,894,600	0.0%
Board Sources					
Board Sources	\$ 15,225,979	\$ 18,408,200	\$ 18,408,200	\$ 18,192,600	-1.2%
Board of Education Fund Balance	-	43,012,200	43,012,200	-	100.0%
Total Board Sources	\$ 15,225,979	\$ 61,420,400	\$ 61,420,400	\$ 18,192,600	-70.4%
State Aid					
Foundation Program	\$ 476,585,385	\$ 494,571,500	\$ 494,571,500	\$ 514,335,100	4.0%
Geographic Cost of Education Index	38,610,374	39,276,800	39,276,800	20,297,800	-48.3%
Special Education	40,464,796	41,174,700	41,174,700	42,246,000	2.6%
Nonpublic Placements	21,946,738	19,686,300	19,686,300	22,280,700	13.2%
Transportation Aid	36,965,932	37,707,200	37,707,200	39,146,100	3.8%
Compensatory Education	235,525,743	254,495,300	254,495,300	281,138,600	10.5%
Limited English Proficiency	68,564,225	74,470,000	74,470,000	81,883,000	10.0%
Net Taxable Income - Adjustment	2,629,311	10,889,500	10,889,500	10,041,700	-7.8%
Guaranteed Tax Base	-	3,348,200	3,348,200	6,212,300	100.0%
Supplemental Grant and Other State Aid	21,143,710	20,505,700	20,505,700	20,505,700	0.0%
Restricted Grants	3,198,085	4,601,400	4,601,400	4,601,400	0.0%
Total State Sources	\$ 945,634,299	\$ 1,000,726,600	\$ 1,000,726,600	\$ 1,042,688,400	4.2%
Outside Aid	\$ 1,048,112,647	\$ 1,165,031,500	\$ 1,165,031,500	\$ 1,163,775,600	-0.1%
General County Sources					
General County Sources	\$ 461,308,057	\$ 466,683,000	\$ 458,445,300	\$ 485,427,000	4.0%
Telecommunications Tax	33,732,613	31,429,700	31,399,800	34,383,300	9.4%
Energy Tax	55,240,457	54,414,000	58,385,700	63,394,400	16.5%
Transfer Tax	73,462,773	77,692,100	81,988,000	86,087,400	10.8%
Subtotal County Revenue	\$ 623,743,900	\$ 630,218,800	\$ 630,218,800	\$ 669,292,100	6.2%
TOTAL	\$ 1,671,856,547	\$ 1,795,250,300	\$ 1,795,250,300	\$ 1,833,067,700	2.1%
COMMUNITY COLLEGE					
County Contribution	\$ 29,545,200	\$ 34,345,300	\$ 30,345,300	\$ 31,648,800	-7.9%
One-time County Contribution (I-Net Fund)	1,000,000	-	-	-	-
State Aid	24,412,143	26,009,200	25,210,700	26,072,500	0.2%
Tuition and Fees	42,586,740	43,657,400	40,812,200	42,161,800	-3.4%
Other Revenues	2,997,912	1,900,000	2,190,000	1,900,000	0.0%
Fund Balance	-	3,000,000	2,838,800	3,709,000	23.6%
TOTAL	\$ 100,541,995	\$ 108,911,900	\$ 101,397,000	\$ 105,492,100	-3.1%
LIBRARY					
County Contribution	\$ 18,212,000	\$ 18,485,200	\$ 18,485,200	\$ 18,485,200	0.0%
One-time County Contribution (I-Net Fund)	498,728	-	-	-	-100.0%
State Aid	6,524,208	6,759,100	6,759,100	6,965,400	3.1%
Interest	11,495	10,500	12,000	10,500	0.0%
Fines/Fees	580,083	700,900	502,700	502,700	-28.3%
Miscellaneous	551,525	504,900	547,700	547,700	8.5%
Fund Balance	-	-	-	-	0.0%
TOTAL	\$ 26,378,039	\$ 26,460,600	\$ 26,306,700	\$ 26,511,500	0.2%

Notes:

- (1) Numbers may not add due to rounding.
- (2) FY 2014 County Contributions to the Community College and Library include one-time funding from the I-Net Fund to support one-time investments in computer purchases.

MUNICIPAL TAX DIFFERENTIAL

PROGRAM INFORMATION

The Tax Property Article of the Annotated Code of Maryland (Title 6, Subtitle 6-305) mandates that the County recognize, through either a reduced County tax rate or direct grant payment, those governmental services and programs that municipal governments perform in lieu of similar County services, to the extent that these similar services are funded through the property tax rate.

FINANCIAL SUMMARY

Under the provisions of Title 17, Subtitle 10, Division 6, of the Public Local Laws of Prince George's County, each town's cost of each service identified in the prior-year County budget is assigned a tax rate equivalency value after adjustments are made to offset revenue directly allocable to a specific service. The aggregate town requests for "in lieu of" service credit, as certified by the County, are translated into a dollar value, which is the sum of the products of the tax rate equivalent cost of the service multiplied by each town's tax base. Each of these net service values is then reduced to reflect the portion of levy. The sum of the tax rate values of the services constitutes the tax rate differential accruing to each town, i.e., the amount by which the County unincorporated area property tax rate will be reduced in each respective town.

Beginning with FY 1999, County legislation set a five-year rolling average for changes in municipal differential rates. Beginning in FY 2004 and each year thereafter, this changed to a three-year rolling average. The purpose of this modification is to provide stability to municipal residents' County tax rates, smoothing what could otherwise be a large rate change that could be triggered by a reorganization of County services, economic fluctuations, changes in municipal service levels or other factors.

In 2000, Chapter 80, Acts of 2000 (Senate Bill 626) provided that, beginning in FY 2001, property tax rates shall be applied to 100% of the market value of real property, rather than the 40% for most real property under previous law. Also, the law mandates that the County real property tax rates and municipal tax differentials be adjusted to make the impact revenue neutral. As a result, starting from FY 2002, a separate real property tax rate and a separate personal property rate have been applied. Also a real property tax differential and a separate personal property tax differential have been applied, in accordance with State law and County code (CB-1-2001).

FY 2016 TAX DIFFERENTIAL RATES

Municipality	FY 2016 TAX DIFFERENTIAL		FY 2016 VALUE		
	PERSONAL PROPERTY	REAL PROPERTY	PERSONAL PROPERTY	REAL PROPERTY	TOTAL
Berwyn Heights	0.290	0.124	\$ 49,858	\$ 304,014	\$ 353,872
Bladensburg	0.249	0.107	40,525	416,922	457,447
Bowie	0.300	0.128	359,732	7,636,721	7,996,453
Brentwood	0.170	0.073	7,285	134,780	142,065
Capitol Heights	0.269	0.115	21,973	279,637	301,610
Cheverly	0.280	0.120	45,954	592,493	638,447
College Park	0.072	0.031	48,421	663,422	711,843
Colmar Manor	0.218	0.093	5,478	70,020	75,498
Cottage City	0.239	0.102	7,422	81,420	88,842
District Heights	0.282	0.121	16,010	369,403	385,412
Eagle Harbor	0.007	0.006	3	410	414
Edmonston	0.239	0.102	12,213	140,958	153,171
Fairmount Heights	0.128	0.055	2,019	48,038	50,057
Forest Heights	0.212	0.091	7,224	137,382	144,606
Glenarden	0.260	0.111	34,692	399,341	434,033
Greenbelt	0.323	0.139	213,683	2,556,759	2,770,441
Hyattsville	0.312	0.134	199,500	2,264,282	2,463,782
Landover Hills	0.265	0.113	6,005	140,613	146,618
Laurel	0.380	0.163	296,809	4,104,436	4,401,245
Morningside	0.165	0.071	4,675	57,063	61,739
Mount Rainier	0.308	0.132	14,121	440,086	454,206
New Carrollton	0.272	0.116	33,125	745,519	778,644
North Brentwood	0.010	0.004	93	1,577	1,670
Riverdale	0.312	0.133	59,311	828,261	887,572
Seat Pleasant	0.290	0.124	17,927	310,808	328,735
University Park	0.286	0.123	7,612	353,865	361,477
Upper Marlboro	0.192	0.082	46,120	66,338	112,458
Total			\$ 1,557,790	\$ 23,144,567	\$ 24,702,357

Numbers may not add due to rounding

